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## N.Y. Terror Arrests Put Focus on Sudan

By Youssef M. Ibrahim

New York Times Service PARIS — The appearance of Sudanese passports in the possession of eight Muslim fundamentalists accused of planning terrorist acts in New York spottighted a country that analysts say has served as a bridge between the Arab world and black Africa for radical extremists.

Since it came to power in 1989, the military vernment of General Omar Hassan Ahmad Bashir and its partner in government, the Is-lamic National Front led by Sheikh Ahmad Turabi, have instituted a strict Muslim fundamentalist social order.

- Two years ago, they struck a strategic alliance with Iran and became active in exporting Islamic revolutionaries throughout the Middle

East, observers say, According to the terms of this aliance, Iran supplies Sudan with free oil, sells some gruss and trains Sudanese and Arab fundamentalists to form Muslim militias.

Western and Egyptian security experts bee that several hundred Iranian Revolutionary Guards are now in a score of training camps

[The United States is 'very disturbed" by continuing close ties between Sudan and Iran but has no evidence that Sudan has ever conducted or sponsored a terrorist act, The Associated Press quoted the State Department

spokesman as saying on Friday.

[The spokesman, Michael McCurry, said that, to his knowledge, the FBI had not established any links between the New York bomb-

A Weekend Beach Forecast

Starting Today:

Western Atlantic.

ing conspiracy and any foreign government.]
Egyptian, Tunisian and Algerian officials have repeatedly asserted that hundreds of fundamentalist terrorists arrested by security forces in those countries have confessed to having received military training money and travel documents in Sudan before filtering

A radical Egyptian leader, Sheikh Omar Abdel Rahman, whose followers have been linked to both the World Trade Center bombing and recent arrests in North Africa and the Middle East, received his entry visa to the United States in Sudan, While there, he alleged-

ly conferred frequently with Sheikh Turabi on See SUDAN, Page 5

# A Close Call on Budget, But Clinton Is Buoyant President Hails 'Victory for America'

After Gore Breaks 49 - 49 Senate Tie

WASHINGTON - A clearly buoved Presi

dent Bill Clinton, having cleared another hurdle by winning the barest of Senate approval for a stripped-down version of his economic plan, said Friday that the outcome was a "vic-tory for the American people" that showed that America was prepared to put its fiscal house in

It was also a close and critical victory for Mr. Clinton, arduously won. Vice President Al Gore cast the vote to break a 49-to-49 tie shortly after 3 A.M. on Friday to secure approval of a deficit-reduction package that in-corporated main elements of Mr. Cimton's economic policies, including higher taxes on the

wealthy and corporations.

But it was hardly an indicator of newfound Clinton political strength. To win Senate ap-proval, the president had to accept major changes in his program and the version passed last month by the House, including the removal of his broad-based energy tax. Mr. Clinton said in a statement that the

Senate "voted for growth over gridlock" and that the vote met his challenges to cut the deficit, balance tax increases with spending cuts, tax more from the wealthy and encourage the movement of people from welfare to work. That's why this vote is a victory for the

American people," he said.

Speaking later at the White House, Mr. Clinton said: "What this means is incalculable. It means we can now move on to a conference committee with a clear signal to the financial markets that interest rates should stay down, people should be able continue to refinance

their homes, finance their businesses at low

Senators must now join with members of the House of Representatives in a conference to work out the differences between the budget plan passed by the Senate and the one approved by the House. A final budget could come in

The plan passed by the Senate, which Demo-crats said would trim a half-trillion dollars from

The bell rings for Round 2: Can the House and Senate find a compromise? Page 3.

federal deficits over the next five years, was Mr. Clinton's most important legislative effort to date, and he said he would be able to attend next month's Tokyo meeting of Western leaders in a position of economic strength.

In defending the package, Democrats said that four-lifths of the new taxes would come from families earning more than \$200,000.

The bill, one of the largest tax increases in history, would raise the marginal income tax rates on the wealthiest Americans, increase tax-es on the benefits of wealthier Social Security recipients, increase the corporate tax rate and impose a 4.3 cents-per-gallon tax on gasoline and other transportation fuels, on top of the current 14.1 cents-per-gallon gas tax.

Even with the tax increases and spending

cuts, the national debt - now about \$4 trillion -would grow by an additional \$1 trillion over the next five years as the cost of entitlements

See BUDGET, Page 3

# **Criticism Drives Attali** From European Bank

International Herald Tribune

LONDON — Faced with increasingly scathing reviews of his performance. Jacques Attali announced his resignation Friday as president of the European Bank for truction and Development.

Amid mounting criticism that the bank's spending controls are lax and its lending pace languad, and with its owner countries and even its own staff increasingly divided resignation marks a low point for the EBRD. It is not clear when his successor will be chosen by the bank's board of governors, but Mr. Attali said in a statement that he

would stay until then. His humiliating departure ranks as an unaccustomed setback for Mr. Attali, formerly a close aide to President François Mitterrand of France and the man whose idea it was to create the bank two years ago to spur development in Eastern Europe and

the former Soviet Union. Mr. Attali, normally outspoken, offered little explanation for his decision. In his four-paragraph resignation letter addressed to Anne Wibble, the Swedish finance minister and chairman of the bank's board of

governors, he simply cited "negative press attention" and the "detrimental" effect that it was having on institution and staff.
"I know of no action that I have taken that in any way could be worthy of re-

proach," Mr. Attali said. Despite that disclaimer, Mr. Attali's resignation came only hours after fresh allega-

tions over his personal expenses had surfaced in the Financial Times. In a front-page article on Friday the paper reported on Mr. Attair's acceptance of speaking fees in apparent contradiction of EBRD rules, and a double reimbursement of a first-class plane fare to Tokyo.

Pressure has mounted on Mr. Attali, 49, in recent weeks. In response to criticism, he acknowledged the hostility of many contrib-

Downfall of a versatile high flier. Page 2.

uting governments, which he attributed to his relentless pushing of such issues as opening markets to imports from Eastern Europe and funding a facility to clean up dangerous nuclear reactors in the region.

Others disagree. "It is hard to escape the fact that he has brought this bank into focus in a way not very constructive to the bank's best interests," said Lars Tybjerg, a member of the EBRD's board of directors representing Denmark, Ireland and Lithuania.

For what he terms the world's "tainted"

view of the bank, Mr. Tybjerg faulted not Mr. Attali's speeches, but his actions on such matters as the bank's spending on truckloads of Carrara marble for its new headquarters. In April, press accounts ap-peared detailing the bank's lavish spending on its new home while the pace of its lending fell more and more behind target. Mr. Attali's staff had long treated these

See RESIGN, Page 5

# **Kurds Plan More Attacks** For Weekend, **Turkey Warns**

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#### Politicians in Germany Seek to Ban Leading Independence Group

By Marc Fisher Washington Post Service

BERLIN - Turkey warned Friday that Kurdish militants planned new terrorist attacks on European targets this weekend, while German politicians sought to ban the leading

Kurdish independence movement.

One day after Kurdish separatists unleashed a coordinated series of terror assaults on Turkish government offices and businesses in 29 rropean cities, Foreign Minister Hikmet Cetin of Turkey said his government had received "tip-offs that there will be fresh attacks in Enrope" beginning Saturday.

Mr. Cetin told the Anatolian news agency in

Ankara that Turkey had asked Germany and other European countries to increase security at Turkish facilities that might be targets of Knrdish rage. Turkish officials contend that European authorities did not react sufficiently to warnings earlier this week that the Kurdistan Workers Party, often called the PKK, was planning a terror campaign.

At least 56 people were arrested in Germany. England, Switzerland and France after the incidents Thursday. One Kurd was killed outside the Turkish mission in Bern after demonstrators were reportedly fired upon by embassy

[About 100 Kurds tried to take over the Turkish Consulate in Karlsruhe, Germany, as protests continued Friday, Agence France-Presse reported.

The police reacted swiftly to the threat, detaining about 80 activists for questioning, a police spokesman said. But small groups of demonstrators managed to flee toward the center of the town, where they destroyed at least 10 cars. The police sealed off the town center in an attempt to arrest them.

Demonstrations were also reported Friday in Stuttgart and in Bern, where around 400 Kurds marched to the Swiss legislature to protest the death of the Kurdish demons

Thursday.]
In Munich on Friday, the police defended their actions at the Turkish Consulate, where a hostage-taking had occurred Thursday. According to Interior Minister Gunther Beckstein of Bayaria, the police keep constant guard there but have no say over who enters the consulate, which is considered Turkish territory. Late Thursday officers persuaded 13 alleged Kurdish party members to end their takeover of the consulate and release 23 hostages unharmed.

The wave of Kurdish vandalism and hostagetaking that hit six European countries Thursday prompted German officials to call for a ban on the Kurdish party, the Syria-based Marxist group that has an estimated 5,000 supporters in Germany. Turkey has often urged European countries to act more harshly against the party. which is an illegal organization in Turkey.

Germany's interior minister, Rudolf Seiters, met with law-enforcement and intelligence officials to discuss a ban on the party, a move that would forbid its meetings, publications and

More than 400,000 Kurds live in Germany, the largest concentration outside their traditional homeland in the border areas connecting Turkey, Iraq, Iran and Syria. The Kurdish party has been active in Germany for a decade; in two trials under way in Düsseldorf since 1989, party members face murder charges in the as-

See KURDS, Page 2

# **Armed Rightists Smash Way Into** Talks With ANC

By Paul Taylor Washington Post Service
JOHANNESBURG — Hundreds of heavily

armed white nightists used an armored truck to smash into the building where South Africa's multiparty democracy talks are being held, then occupied the negotiating chamber for two hours, forcing delegates to scurry into side rooms for safety.

- A contingent of about 600 police officers made no effort to defend the building against the military-style takeover by uniformed mem-bers of the Afrikaner Resistance Movemment, which is demanding a separate nation for white settlers of Dutch, German and French Huguenot descent

s they stormed into the symbolic "engine "form" of the post-apartheid South Africa, the rightists shouted racial epithets, jostled black delegates and journalists, spray-painted political slogans on walls and scattered papers of the delegates whose desks they occupied.

:55

A. P. S. (2) [3]

They eventually dispersed when government negotiators assured their leaders that there would be no immediate arrests. Friday night, however, President Frederik W. de Klerk vowed that all those who had taken part would be arrested and prosecuted. He called the demonstration "despicable" and denied allegations that "police act differently when blacks are involved." He said a strong armed response

would have led to bloodshed. - The episode ended without any serious injuries and proved to be only a temporary shock to the negotiating process. By midafternoon, delegates were back in their seats (first item of iscussion: security arrangements), the graffiti re gone and the eight huge glass panels in the front of the building, destroyed when the rightists drove a small armored truck through them,

were being replaced. But the action did have its intended effect of showing how frustrated and militant the radical fringe of Afrikaners has become as South Afri-

See WHITES, Page 5



#### Russia Turns Off Gas To Punish Estonians MOSCOW (AP) - Russia cut off nam-

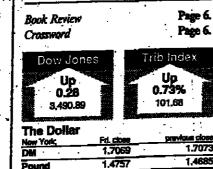
Kiosk

ral gas supplies to Estonia on Friday, a day after President Boxis N. Yeltsin accused the Baltic nation of creating a system of "apartheid" that discriminates against Estonia depends entirely on its giant

neighbor for gas. Sergei Kazmin, deputy head of opera-tions for the Russian state gas company, Gasprom, said its affiliate, Lentrang

stopped pumping natural gas to Estonia at The Baltfax news agency said officials estimated that Estonia had enough gas to last three or four days.

Russia's action was reminiscent of a similar order by the former Soviet president, Mikhail S. Gorbachev, who sharply reduced fuel shipments to Lithuania after it declared independence in March 1990.



106.285

109.75

Pound



Children from the Bosnian enclave of Bihac greeting their mother in Zagreb on Friday.

# Clinton Seems Committed To Lifting Bosnia Embargo

By Alan Cowell New York Times Service

ISTANBUL - Despite U.S. efforts to distance itself from any new initiative to arm Bosnian Muslims, President Bill Clinton has left a strong impression with Turkish leaders that he remains committed to a selective lifting of the UN arms embargo in the former Yugo-slavia, senior Turkish officials said Friday. In a letter this week to President Suleyr Demirel, the officials said, Mr. Clinton said the UN embargo had had "the unintended consequence of freezing in place a vast disparity in

government's ability to defend itself."

The June 21 letter, according to officials who spoke in return for anonymity, said the United States continued "to believe that the UN Security Council should selectively lift the embargo

arms, and of severely constraining the Bosnian

so that arms may be shipped to the Bosnian government, which may then be better able to In this manner, it said, the lifting of the arms

embargo would contribute to a negotiated set-tlement of the conflict. The letter was part of a string of communica-tions between Ankara, Washington and Bonn

A Bosnian leader sees continued war as spawning terrorism throughout Europe, Page 2.

over the past week that deepened the sense of confusion in the Clinton administration's Bosnia policy and introduced an element of irritation into the relationship between Chancellor

See POLICY, Page 2

# What? More Stone Agers in Papua New Guinea?

Compiled by Our Staff From Dispatches

PORT MORESBY, Papua New Guinea — A nomadic Stone Age tribe believed to be untouched by the modern world has been discovered by a government patrol in mountainous jungle northwest of here, officials said Friday.

Government officers were reported to have found the no-madic Liawep clan, a tribe of 79 people with its own language, roaming in May in mountains in Sandann Province, 760 kilometers northwest of the capital, Port Moresby.

A district government officer, Peter Yasaro, encountered one member of the tribe while conducting a patrol, the Sydney Morning Herald reported in a front-page story Friday. Mr. Yasaro told the newspaper that the Liawep man was

fascinated with his ax and steel bush-knife. The newspaper said the man was brought to the remote government station of "They had to reassure him about the planes; he thought it min and Telef was a big bird and tried to hide in case it might attack him," a from Vanimo.

spokesman for the Papua New Guinea Department of Primary Industry in the provincial capital Vanimo told the newspaper "We have never heard of them before and believe they have not had any outside contact," said Selena Malager, a Papua New Guinea National Broadcasting Commission journalist.

They are dressed in traditional clothes of tree bark and leaves. They have their own local dialect." Miss Malager said the tribe was reported to worship a stone

that it carried on its journeys. Already, a mission from the Baptist Church has gone out to Papua New Guinea's West Sepik Province to find them, teach them about the "true" God and build them a church, a Baptist

spokesman said from Mount Hagen.

"Lost" tribes have surfaced in Papua New Guinea in the past but have eventually been found to have had previous contact

with the modern world. A West Sepik provincial information officer, Tobias Welly, said the tribe had been found in a deeply forested part of the Mount Ewa mountain range between the settlements of Oksapmin and Telefomin about 300 kilometers (180 miles) inland

According to a local radio journalist, a government patrol first went to the area after a tribesmen got lost and stumbled into Oksapmin about two years ago.

The tribesman was able at first to communicate only in sign language but has since learned the local variation of English. Last month the man was able to escort the patrol in search of the Liawens.

The tribe has since been introduced to such commodities as tes, salt and sugar.

"The Liawep talks about another tribe that has not been found yet living a bit further up into the mountains toward the Southern Highlands," Mr. Welly said.

But the director of Papua New Guinea's Medical Research Institute, Michael Alpers, said in Port Moresby that he was still skeptical about "lost" tribes. "It usually turns out that these people may not have been

making use of government administrative services of any kind but have been known and are not exactly lost," he said.

## Vice President Assails Europe

Compiled by Our Staff From Dispatches SARAJEVO. Bosnia-Herzegovina — As a divided Bosnian presi-dency met in Croatia on Friday to discuss a new peace plan for Bosnia. Bosnia's vice president warned that the war could drag on for 15 years and spawn terrorist attacks in Europe.

The vice president. Ejup Ganic. also bitterly attacked Europe, particularly France and Britain. Bosnian Muslims, he said, were "naive" to have expected help from European countries.

Seven members of the collective Bosnian presidency met in Zagreb. the Croatian capital, without the Muslim president, Alija Izetbegovic, to discuss the peace plan. A day earlier, the presidency members attended peace talks in Geneva at which the republic's Serbs and Croats agreed that Bosnia should become a confederation of three ethnic ministates.

But the leadership appeared increasingly confused Friday over how to respond to the Serbian-Croatian plan.

Among the seven meeting in Zagreb, some flatly rejected proposals to make Bosnia a three-state "confederation," while others appeared willing to consider it.

A presidency member. Miro Lazovic, a Bosnian Serb, said the leaders would study what is known of the proposal "to see what we can accept and what we cannot."
"But we have an absolute 'no' for the confederation proposal," he

However, Miro Lasic, a Croatian member, said there was "no need to reject the idea of confederation in advance. If that will bring peace, we are ready for that, too."

Mr. Ganic, who boycotted both the Geneva talks and the Zagreb meeting with Mr. Izetbegovic, said that the plan would legitimize genocide and that he preferred to fight to preserve a multicultural Bosnia-Herzegovina within the existing borders.

"The war will be here for 10 or 15 years," he asserted.

Bosnia would continue to defend itself, he said, adding. "If the international community decided to finish with us, of course terrorism will start all over Europe."
He said that a million Bosnians

lived in Western Europe and that while he was not inciting terrorism, he would not be able to stop it. We are very much disappointed

by France," he said, criticizing French politics as "wishy-washy."

He said that while the French

#### **POLICY:** Clinton on Bosnia

Continued from Page 1

Helmut Kohl of Germany and his European partners.

response to a request from Mr. Demirel, who, in turn, was relaying the position of President Alija Izetbegovic of Bosnia-Herzegovina. Mr. Izetbegovic had talks with Mr. Demirel in Ankara last week to press his case for a lifting of the UN arms embargo on his country.

Mr. Demirel, according to Turkish officials, sought Mr Clinton's help in persuading Mr. Kohl to lobby for European agreement to a lifting of the arms embargo at European Community meetings in Copenhagen on Monday and Tues-

A subsequent letter from Mr. Clinton to Mr. Kohl last weekend urged him to "support lifting the arms embargo when you meet with your colleagues tomorrow." Mr. Kohl did so, and his European allies rejected the idea.

Subsequently, American officials in Washington sought to dismiss the letter to Mr. Kohl, saying it was not intended as an initiative to revive the idea of arming the Bosnian Muslims. U.S. officials said Washington would support a UN resolution lifting the embargo, but would not promote the idea if Britain. France and Russia opposed it. But Mr. Clinton's letter to Mr.

Demirel, Turkish officials said, gave the impression that the message to Mr. Kohl was intended as a statement of continuing U.S. commitment to reviving the idea.

"As you requested, I am sending a message to Chancellor Kohl confirming that our position is as set forth above and urging that he support lifting the embargo when he

In an interview in Ankara on knowledged sending the request to sin's regime.

Mr. Clinton on behalf of Mr. Izet
It is unclear what effect the sancbegovic and said he believed that both the United States and Germany remained favorable to the idea myrdin was beholden to Russian of lifting the arms embargo. He has industrialists and that many of told other interviewers that he also them favor the sales to help their sought French support.

people supported Bosnia, the government did not. "But the British

are worse," he added. Bosnians, he said, had paid the price of what he called the anti-Islamic attitude of Britain and, to a certain extent, France.

In other developments Friday: A small U.S advance military team arrived in Skopje, Macedonia. from Germany to pave the way for a peacekeeping mission by 300 American soldiers.

 Fighting between Muslims and Croats intensified in central Bosnia. UN military officials and Bosnian radio reported heavy fighting north of Sarajevo along a new front where fighting erupted Thursday between the Muslim-led Bosnian Army and Bosnian Croatian forces.

• În Belgrade, a former Communist technocrat was elected president of the rump Yugoslav state, which consists of Serbia and Montenegro. He replaced Dobrica Co-

sic, who was deposed a month ago. Zoran Lilic, 39, a member of Serbia's ruling Socialist Party, won a majority in both chambers of the federal parliament. His candidacy also was supported by deputies from the ultranationalist Serbian Radical Party and Montenegro's Democratic Party of Socialists. (AFP, Reuters, AP)

# U.S. to Put Sanctions on Russians for Missile Sales

By Michael R. Gordon New York Times Service
WASHINGTON — The United

States has imposed sanctions on Russian companies for selling missile technology in violation of international export controls, according to Clinton administration officials.

But the sanctions have been waived until mid-July while Washington and Moscow make a lastditch effort to resolve their differ-

The decision to impose the sanc-tions, which would bar American companies from doing business with the Russian companies, marks a further escalation in the dispute between Washington and Moscow over Russia's export of missile technology.

The rift between the two sides

was underscored on Thursday when Prime Minister Viktor S. Chernomyrdin of Russia postponed his scheduled visit to the United States.

Mr. Chernomyrdin had planned to meet with Vice President Al Gore to conclude an accord on space cooperation. But reflecting its effort to stem the spread of weapons of mass destruction, the Clinton administration has linked the issue of space cooperation with Moscow's adherence to missile ex-

port guidelines. Until the two sides resolve their differences. Washington does not want to offer a share of the lucrative business of launching U.S. commercial satellites or to let Russians share the work on the multi-

billion-dollar space station. U.S. and Russian officials said the issue will be taken up when President Bill Clinton meets with President Boris N. Yeltsin at the meeting of the Group of Seven industrialized nations in Tokyo on July 7 to 9. That would give them a last opportunity to solve the dis-

Russia has not joined the Missile Technology Control Regime, an international agreement that restricts the sale of missile technology. But Russia has asserted that it is adhering to terms of the accord.

Despite this, American officials say that the Russians have violated its terms by agreeing to sell rocket engine and missile production technology to India.

KURDS: Turkey Warns of Weekend Terrorist Attacks Other Russian actions have raised concern about Moscow's compliance with the accord, including a recent shipment of Russian chemicals, which U.S. officials sassination of rival Kurdish mili-

say was intended for Libya. The sanctions are required by law once it has been determined that a company has violated the

Nonetheless, there has been conmeets with his colleagues tomorrow," the letter was quoted as sayance its commitment to stem the spread of dangerous weapons with Thursday night, Mr. Demirel ac- its effort to help prop up Mr. Yelt-

tions will have. One administration specialist said that Mr. Cherno-

I have lost a man of stature and a close friend

DIEGO GIORDANO \*1915 + 12.05.1993

He will be sadly missed by **DRAGOS EMMANUEL WITKOWSKA** 

June 1993

# Russia Cautions U.S. on Nuclear Tests

By Fred Hiatt

Washington Post Service
MOSCOW — The Russian parliament and senior Russian officials have urged the Clinton administration to continue a ban on nuclear testing, saving a resumption would encourage Ukraine and other nations to seek

membership in the club of nuclear nations. Foreign Minister Andrei V. Kozyrev said this week that Russia would not be the first to end the moratorium and in fact would "probably be the last to carry out tests." But he also said it was unreasonable to expect any nuclear power to refrain from testing if others

resumed a full-scale testing program.

The Congress of People's Deputies passed a resolution warning of a threat to the Nuclear Nonproliferation Treaty if tests resume and urging other nuclear nations --- the United States, France, China and Britain - not to "miss this historic chance" to end nuclear

The U.S. Congress, responding in part to President Boris N. Yeltsin's moratorium, last year enacted a freeze on nuclear underground explosions that expires July 1. President Bill resumption of a few nuclear tests per year, phasing them out by 1996.

Yevgeni Ambartsumov, chairman of the Russian parliament's foreign affairs committee, said such a resumption would increase pressure on Mr. Yeltsin to allow tests here, for the first time since the breakup of the Soviet Union. He said it also could make Ukraine less willing to give up the nuclear arms it inherited when the Soviet Union fell

"Other candidates to the nuclear club will think that if great powers are doing as they wish, it's permissible also for them to proceed," Mr. Ambartsumov said, mentioning Ukraine and North Korea specifically.

resumption of tests could complicate prospects for Russian ratification of the STARTarms reduction treaty. As in the United States, Russia's influen-

The centrist deputy also suggested that a

tial nuclear arms complex has been lobbying for a resumption of tests, arguing that they are necessary to ensure the safety of weapons in the arsenal. But, in part because the weapons industry here is strapped for resources and in part because the main Soviet testing ground lies in what is now the independent nation of Kazakhstan, the lobbying is probably less intense.

Russian officials have said they are technically able to resume underground tests in Novaya Zemiya, the Arctic Ocean island that was the Soviet Union's secondary testing ground. But Alexei Yablokov, Mr. Yeltsin's ecology adviser, warned in a recent article in Izvestia that such tests could endanger the fragile Arctic environment.

Mr. Yablokov urged the United States not to resume tests, but he also expressed the hope that Russia would maintain its moratorium and keep pressing for a global test ban even if Mr. Clinton authorizes a resumption

Many Russians believe that the United States wants to resume testing, not to check on the safety of its existing arsenal, but to perfect new types of "third-generation" nu-clear weapons that would be more sophisticated than anything in the Russian arsenal.



Troops loyal to a rebel leader, the former colonel Suret Husneyov, patrolling on the outskirts of Baku, capital of Azerbaijan, on Friday.

# Azerbaijan Leader Calls Vote a State Coup

BAKU, Azerbaijan - The beleaguered president of Azerbaijan accused parliament on Friday of carrying out a coup when it voted to turn his powers over to the nation's former Commu-

"I regard the declaration of parliament as contrary to the constitution," Abulfaz Elchibey said, in a statement transmitted from a remote mountain retreat. Mr. Elchibey, who was popularly elected, fled the capital ahead of a rebel advance last week.

Late Thursday, lawmakers in the former Soviet republic voted to hand over his powers to the parliament speaker, Geidar Alivev, a former member of the Soviet Union's Politburo and the longtime party boss of Azerbaijan.

"I consider this state coup, carried out by military coup," Mr. Elchibey said.

BAGHDAD - A team of United Nations nu-

clear experts arrived in Iraq on Friday to arrange for the removal of uranium that Baghdad could

have used to make a bomb, UN officials said. The

arrange for the removal of irradiated fuel from

International Atomic Energy Agency, who is lead-

that Russia had won a contract to take radioactive

fuel that Iraq could have used in making a nuclear

The 10 inspectors are to make detailed arrange-

ments for the removal of about 40 kilograms (90 pounds) of irradiated fuel, which the spokesman

Under terms of the Gulf War cease-fire, Iraq is

required to dismantle its weapons of mass destruc-

Contractors in several countries had either

said was enough for one or two bombs.

tion and permit inspections by UN teams.

Continued from Page 1

Of the 13 men who took over the

Munich consulate, 12 are Turkish citizens and 11 reside in Germany,

prosecutors said. The hostage-tak-

ers could receive as long as 15 years

in prison for holding the consulate

staff and for seeking to blackmail

The hero of the drama was Bernd

Schmidbauer, Chancellor Helmut

Kohl's chief aide on intelligence

matters. Thursday morning, short-

ly after the Kurds took over the consulate at 9 A.M., a terrorist who

called himself "Memo" called the

embassy in Bonn from inside the

consulate. Memo demanded to speak to Mr. Kohl but was trans-

tion room, where Mr. Schmidbauer

According to police accounts,

Memo at first resisted talking to

Mr. Schmidbauer, saying he had

never heard of him. But Mr.

Schmidbauer kept Memo talking, if

"We had a very nervous crimi-

nal," Mr. Beckstein said. "Our con-

cept was to win time and calm the

situation. Time works in favor of

erratically, for an hour.

the security authorities."

ioined the call.

the Bonn government.

A UN spokesman, Jan Fischer, said in Bahrain

"We are going to work with Iraqis to try to

said Bob Kelley, a nuclear engineer at the

uranium is to be sent to Russia.

ing the team.

Mr. Elchibey has refused to leave his home village near Nakhichevan until rebel troops surrounding Baku are withdrawn.

Declaring himself fully able to carry out his duties, Mr. Elchibey said that "as legal president. I will continue using all democratic means at my disposal to overcome the consequences of

the coup."

Mr. Elchibey was elected in June 1992 in a nationalist backlash against the former Communist government.

He technically remains in office without

power, pending a report from a government commission investigating the deaths of 70 people in a clash earlier this month between government and rebel forces in Azerbaijan's second city, of Gyandzha, the rebel stronghold in The rebels are led by Suret Huseynov, a

former colonel demoted by Mr. Elchiber this year. Mr. Huseynov has demanded that Elchibey fled Baku.

sought or been asked to undertake the removal and

processing of the fuel. The Russian Ministry of

Nuclear Energy, Minatom, won the contract. The

The environmental lobby is active in Russia, but

the spokesman said 40 kilograms is only a tiny fraction of the stocks of fuel held by Russia. "It's a

speck of dust compared to what's already there,"

The inspection team arrived as the United Na-

President Bill Clinton said in Washington on

Friday that the standoff over monitoring the test

Baghdad has refused to allow UN inspectors to

"It is quite serious," Mr. Clinton said. "I would

sites was serious and must be resolved quickly.

install the cameras. It has also refused to remove

chemical production equipment to a destruction site, as requested, according to UN officials.

expect that the matter will have to be resolved one

way or the other in the fairly near future."

Memo to agree to an in-person ■ Turks Kill 3 Extremists

meeting. While police psycholo-

gists and negotiators worked on

getting the Kurds to release all women hostages, Mr. Schmidbauer

flew to Munich, arriving at 8:15

After he held a planning session

with the police, he and Memo met

ate and talked for an hour. The

Kurd initially insisted that Mr.

Kohl appear on television to de-

mand that Turkey cease hostilities

against Kurdish settlements. "I cat-

egorically rejected that," Mr.

Schmidbauer told the German

Instead, the German official said

he focused on persuading Memo

that "there was no further purpose

ly, just before midnight, Memo and

the other Kurds surrendered their

weapons - two pistols, two gas-

firing pistols, a tear-gas sprayer

and a knife - and came out of the

"Reason prevailed," Mr. Beck-stein said. "No deal was made that

The hostage-takers are likely to

be tried in Germany rather than

deported to Turkey because Ger-

man law forbids extradition of pris-

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building with the hostages.

we need be ashamed of."

news agency DPA.

ferred instead to the embassy situa- in occupying the consulate." Final-

In a second call later in the day, oners to a country in which they Mr. Schmidbauer persuaded might face the death penalty.

on the sidewalk outside the consul-

tions and Iraq disputed the installation of remote

cameras at two rocket test sites near Baghdad.

spokesman did not say how much it was worth.

Iraq's Nuclear Fuel to Go to Russia

Mr. Elchibey resign for bungling Azerbaijan's five-year war with Armenia over Nagomo-Karabakh, a mostly Armenian enclave inside Azerbaijan

Mr. Elchibey has said he will step down if the panel concludes he is to blame for the Gyandzha deaths. If he does not resign, parliament is expected to impeach him and call new

Fighting has continued in Gyandhza, with two rebel leaders reported killed.

The Conference on Security and Coopera-tion in Europe has been trying to engineer a negotiated peace in the bitter conflict and was about to deploy observers. But the new crisis has put the peace plan on hold.

It was unclear whether parliament's decision to hand power to Mr. Aliyev would resolve Azerbaijan's political crisis. Mr. Huseynov and Mr. Aliyev have been vying for power since Mr (AP, AFP)

#### Amazon Study Cites Worsening Harm to Fauna

are being cut in the Amazon rain forest than previously estimated, but three times as many animal and plant species are being killed or sancularies are disrupted, according to a new study.

NASA-supported satellite re-search of the Brazilian Amazon found that an average of 5,800 square miles (15,000 square kilometers) of trees were cleared annually from 1978 to 1988. Earlier studies had found that 15,000 square miles and more were being deforested each year during the same period.

"We found one-half to one-third of what some people have been estimating," Compton Tucker, a research scientist at the Goddard Center of the National Aeronautics and Space Administration, said at a news conference.

Though the improved picture for deforestation is encouraging, said Mr. Tucker, "if you are talking about biological diversity, then I

WASHINGTON — Fewer trees pushed near extinction as remote

don't see any reason for optimism."

# WORLD BRIEFS.

# Russia Surprised by Japan Fund Cut

MOSCOW (AFP) - Russia said Friday that it was "at the very least surprised by Japan's contention that a proposed \$4-billion-dollar prog-tization fund from the Group of Seven nations should be scaled down to

\$500 million, Interfax reported.

A Russian Foreign Ministry spokesman, Sergei Yastrzembsky.

briefing that the comment made by Foreign Minister Kabun Manage briefing that the comment made by Foreign Minister Kabun Manage Japan this week demonstrated that Japan Jacked "a positive approach" to

President Bill Clinton announced the privatization fund during the Vancouver meeting with President Boxis N. Yeltsin in April, but US

participation in the aid package is conditional on that of other 6.7

## Khmer Rouge Accepts Advisory Role

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Allay From Polisie

PHNOM PENH (AP) - The Khmer Rouge on Friday accepted to advisory role in the interim government, and Prince Norodom Sibanosis the head of state, welcomed the news that the Khmer Rouge president Khicu Samphan, planned to return to the capital from self-imposed ed-

The moves softened the Khmer Rouge's increasing isolation since it boycotted last month's UN-organized election. The group is crucial to Cambodia's stability because its more than 10,000 guernile fighters control a fifth of the national territory.

The Khmer Rouge radio said the group would accept Prince Sign nouk's offer for it to serve as an adviser to a temporary administration that will rule until the newly elected government takes office in A.

#### 18 Killed in Fire at a French Clinic

RENNES, France (AFP) — Eighteen people were killed when a fire swept through a psychiatric climic as patients slept early Friday in suburban Bruz, rescue services said. Thirty-five people were injured, five seriously, and were in hospital

The victims were 17 patients, who were burned to death or suffocated as they slept, and a night watchman, officials said. One person was

The director of the clinic said most of the patients did not understan what was going on when firemen rushed in to wake them. "Some reacted violently," she said. "One threw herself out a first-floor window." Firemen said the cause of the fire was not immediately known.

#### U.S. Tanker Hit in Mogadishu Ports

WASHINGTON (Reuters) - A U.S. tanker was hit by a shed in Mogadishu's port on Friday and was leaking fuel, the U.S. Navy Sealin Command said. It said that the American Osprey was hit by a shell, possibly a rocket-launched grenade, at the pier while it was offloading

"The ship's master reports there are no fires, no flooding and no injuries, but the ship is leaking cargo fuel," the command said. Officials said initial reports indicated that the ship had a four-inch (10-centimeter) hole 12 feet, or 3.6 meters, below the main deck on its starboard side.

About 200 barrels of cargo have leaked so far, the statement said. The
Osprey has a crew of 30 and was carrying about 108,000 barrels of fuel for

#### Civilian Rule Again Vowed in Lagos

LAGOS (NYT) - Nigeria's military leader, General Ibrahim Bahan gida, insisted Friday that a democratically elected government would be installed as scheduled in August, despite his amminuent of presidents elections held earlier this month.

General Babangida, who was speaking to reporters after a meetingly senior military and police officers in Nigeria's capital, Abuja, saidal, would explain his plans in a speech to be broadcast to the national Saturday. The speak had been scheduled for Friday night. "We are committed to democracy," he added, "we shall install a democratically elected president."

His remarks, coming after nearly two weeks of political upheaval, did little to assuage the fears of many Nigerians who are convinced that the military has no intention of ending its decadelong grip on power.

#### Court Won't Limit Punitive Damages

WASHINGTON (NYT) — The Supreme Court upheld a \$10 million award of punitive damages for a \$19,000 injury, in a ruling that again dashed the hopes of critics of the tort system who wanted the court to place a meaningful constitutional limit on punitive damages.

The 6-to-3 ruling made little if any new law, and no one opinion

attracted a majority of five votes. It was the fifth time in recent years that the justices had failed to issue a definitive ruling on punitive damages after suggesting they were troubled by the issue and were willing if not eager to do something about it.

In a plurality opinion by Justice John Pani Stevens, the court upheld ruling by the West Virginia Supreme Court of Appeals, which in turn had upheld a jury's verdict in a case involving disputed rights to an oilfield in McDowell County, West Virginia: The jury found that TXO Production Corp. acted in bad faith when it brought a frivolous lawsuit intended to deprive Alliance Resources, Inc. of oil and natural gas royalties TXO had promised to pay in return for Alliance's rights to the property.

#### For the Record

Michael Heseltine, the British trade and industry secretary, on Friday left a Venice hospital where he had been treated after a heart attack. headed home for Britain.

John Wheeler, 53, a Conservative member of the British Parliament, was named Friday to succeed John Mates, who resigned Thursday under fire as junior minister for Northern Ireland.

#### TRAVEL UPDATE

#### U.S. Orders Airline Cabin Air Probe

WASHINGTON (NYT) - Transportation Secretary Federico F Pena has ordered a preliminary inquiry into the air quality of airplant cabins. To cut costs, U.S. airlines have been circulating less fresh air it flight. Flight attendants and passengers have complained of headachs. nausea and other health problems, especially after long flights.

Richard Mintz, a spokesman for Mr. Peña, said officials would be working with the Centers for Disease Control and Prevention and government health agencies to assess the levels and potential dangers.

airbome toxins, viruses and bacteria. Air France navigation staff based in Nounca, New Caledonia, have ended a strike for better working conditions after three weeks follow an agreement with the company, an official source said.

Switzerland will open a new Genera bypass this weekend that complete the missing link on a highway from the Baltics to the Mediterranes. Built over 12 years at a cost of 1.3 billion Swiss francs (\$800 million), it takes the favored autoroute of Scandinavian and German drivers sweep ing round the city and down the Rhône Valley to the sun. (Rester)

The Henri Matisse museum in Nice has reopened after six years of renovations. Housed in a 17th-century Italian-style villa, the museum contains nearly 600 paintings, drawings, engravings and sculptures by the French artist, who died in Nice in 1954 at 87.

(Research

## **AMERICAN TOPICS**

Turkish security forces killed

three Kurdish militants and de-

tained 43 in southeastern Turkey

on Friday, Anatolian reported, ac-

cording to a Reuters dispatch from

Bronx's Fort Apache

Is Closing Up Shop
Next month, the New York precinct police station known as Fort Apache, The Bronx will close, and its officers will move to a gleaming new \$13.5-million building seven blocks away. The move symbolizes the renaissance of the neighborhood itself.

The South Bronx is still poor, and rife with drug-dealing and prostitution. But, The New York Times reports, it is not the human zoo depicted in the 1981 movie, "Fort Apache, the Bronx." By the time the film was made, the precinct had actually earned a sec-ond nickname, "Little House on \$1,154.53 he spent for treatments

the Prairie," because two-thirds of the 93,900 people who lived within its boundaries in 1970 had These days, new single-family

dwellings rise from lots once strewn with trash. "It was a neighborhood that rebuilt itself." said Mario Tolisano, vice president of Sebco Inc., the churchbased developer responsible for 3,000 new houses and apartments in the area.

The old station house, a stocky stone bunker built in 1914, has been given landmark status by the city. After an \$8 million renovation it will house the headquarters for Bronx detectives and othor police specialty units.

Short Takes

A judge in a Seattle small claims court rejected a lawsuit by Alfred J. Deskiewicz Jr., 51, a

the three-year statute of himitations had expired, since the com-plainant had first tried to quit in 1971. Mr. Deskiewicz asked to recover the expense of nicotine patches, doctor's visits and a health club membership. He said he was uncertain about filing an appeal. Automobile manufacturers are

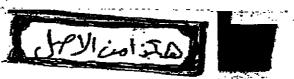
to quit smoking. The judge said

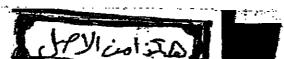
products used in films - so delighted, indeed, that most of them offer movie studios the same basic deal: vehicles used on screen are free, except for insurance and the cost of any post-production repairs. No cars are provided for off-camera use by the cast or crew. There are several taboos, however. No negative postrayals: of loaned cars are allowed. If a production needs a car for a bad guy to drive, it can go out and buy

way," says Tony Kornheiser the Style section of The Washing ton Post. In a lament for the good old days of plain food, he do nonneces bread that contains surdried cherries, or walnuts, or ba-sil, or cheese, or olives. He world prefer bread "without the eatire table of contents of the Whole Earth Catalog' inside." He adds, "Have you seen what they've usually delighted to see their done to chicken lately? And I date lately from the time spit. the language by 'pasta.' You can' not get chicken salad anymer. You can get chicken tarragon, of chicken primavera or chicked audouille, or chicken in pesto sauce." But "if you want plain" chicken, it has to be keepenge, chicken, which is a chicken raised by liberals."

"I like bread the old-fashioned

Arthur Highes





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# INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, JUNE 26-27, 1993 STATESIDE / NOW, SEEKING CORRECTION

# Finds that was a second with the second seco Bell Rings for Round 2 on the Deficit

By David S. Hilzenrath

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Sergei Vandelle Sergei Vandell produced on the state of the st Washington Post Service
WASHINGTON — After all the elicate deals, presidential appeals and political arm twisting it took to get versions of President Bill Clin-100's package of tax increases and spending cuts through first the House and now the Senate, the pro-

Rouge on Friday

and Prince North

are the Khang land cess is about to begin anew.
It falls to a panel of House and Senate negotiators — led by the House Ways and Means Commit-1se chairman, Dan Rostenkowski, Democrat of Illinois, and the Senate Finance Committee chairman, Daniel Patrick Moyniban, Democrat of New York - to bridge the differences between the two.

On The Stope The challenge for the conference committee will be to craft a compromise that will continue to command the support of majorities in such chamber, which will have to vote again on the result.

For the administration, it will be one more chance to try to shape the outcome. The administration will have to rely on its persuasive power. Although Mr. Clinton could veto the final product if he found it objectionable, few lawmakers consider that a credible threat.

For politicians confronting an array of unpopular choices about whose taxes to raise and whose programs to cut, the conference committee can relieve some of the pressure. Deals struck earlier to move He bill through legislative logiams the the Senate Finance Committee

for public consumption can be reversed without personal accountability.

Congressional officials said the weeks to complete.

The conferees will have to resolve some of the most bitterly contested issues in the budget package: • The energy tax. The House bill

posed on most forms of energy, from the electricity that powers factories to the natural gas that heats homes. The Senate rejected Congressional officials said the conference could begin as soon as next week and could take several transportation fuels such as gasoline, diesel and jet fuel.

• Investment incentives. The Senate proposed scrapping or reducing many tax breaks passed by the House that were central to Mr. includes a modified version of the Cinton's strategy for encouraging broad-based tax Mr. Clinton pro-investment and promoting eco-

25,196



for beneficianes.

• Real estate. The House inserted a provision that would ease the tax liabilities of real estate developers and others who cannot repay mortgages on commercial real es-tate. Advocates said it would help troubled de riopers negotiate easier repayment terms with lenders. But the Senate deleted that provi-

tives for the development of high-

speed rail systems, credits for

hiring youth apprentices, relief for

businesses with large investments

in plant and equipment and relief

from the capital gains tax for peo-

pie who make direct, long-term in-



Vice President Al Gore speaking Friday on Capitol Hill, backed up by Senators Jim Sasser of Tennessee, the Budget Committee chairman, left, and George J. Mitchell of Maine, the majority leader.

#### Rebel Democrats

Washington Post Service WASHINGTON - Six of the 56 Democrats in the Senate defected from President Bill Clinton and voted against the deficit-reduction package early Friday morning.

The six were Richard H. Bryan of Nevada, Dennis De-Concini of Arizona, J. Bennett Johnston of Louisiana. Frank R. Lautenberg of New Jersey. Sam Nunn of Georgia, and Richard C. Shelby of Alabama. Republicans were united in opposing the bill.

#### **BUDGET:** A Close Decision

Continued from Page 1 and other programs continue to rise and the government borrows to

In the final moments before the vote, the Senate Republican leader. Bob Dole of Kansas, said that with this package Mr. Clinton "has earned his place on Mount Tax-

more. The majority leader, George J. Mitchell of Maine, countering, said: "There is no other alternative. If you mean to reduce the deficit.

you must vote for this package." Democratic leaders had predicted victory, but they and the White House scrambled until the last minute to secure votes, and Mr. Gore presided to east the needed winning vote. Patty Murray. Democrat of Washington, and Arlen Specter, Republican of Pennsylvania - both recuperating from sur-

The White House spokeswoman. Dee Dee Myers, said the narrowness of the vote was understandable.

gery - did not vote.

"We would have preferred to have had 100 votes but that was never possible," she said. "It's a tough package and it was a tough vote. We're just grateful it got

It was the first time a vice president had broken a Senate tie vote in six years. "I'll wager that this time next year, you're likely to see the individuals who had the courage to vote for this economic plan taking credit for the economy recovery. Mr. Gore predicted.

But many Democrats who backed the package did so with only muted praise. The deficitreduction package is not the magic bullet that overnight makes the problem go away," said Bill Brad-ley of New Jersey in declaring his

This package is a first step only, and we have a long way to go."

How closely the final package resembles Mr. Clinton's original plan, announced in February, will depend on the outcome of the House-Senate conference, where Mr. Clinton has said he would focus his efforts.

Senator David L. Boren, Democrat of Oklahoma and one of the president's critics on the Democratic side, said Mr. Clinton "can't stand back and be neutral in the conference committee."

'He's going to have to weigh in." weighs in on the side of holding the line on more spending cuts and less taxes, or whether he weighs in on the other side of the spectrum will do a lot to define him."

Instead of fighting over every detail of the plan, as it did in the House, the administration emphasized its broad goals during the Senate debate.

(Reuters, WP, AP)



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# Funds or Not, Aspin Favors 'Win-Win'Strategy

By John Lancaster Washington Post Service

WASHINGTON - Defense Secretary Les Aspin says the United States can and should preserve its ability to fight and win two regional wars at once, even while making big cuts in forces and personnel.

Mr. Aspin, in a speech Thursday at An-

drews Air Force Base, apparently signaled a course correction for the Pentagon, which is in the final weeks of a huge internal effort to chart a new force and strategy for the post-Cold War era.

Just a few weeks ago, Pentagon policy planners had been moving toward a strategy in which the United States would plan for sequential, rather than simultaneous, con-

second. After winning the first war, U.S. forces would go on to win the second.

Mr. Aspin, however, appears to have re-considered what has been dubbed the winhold-win option. "After much discussion and analysis, we've come to the conclusion that our forces must be able to fight and win two major regional conflicts, and nearly si-multaneously," the defense secretary said.

Mr. Aspin has not offered details of how the strategy would translate into hardware and personnel, so it is impossible to discern whether his remarks constituted a shift in substance or packaging. To some critics, the strategy question is academic anyway, since the Pentagon already is under orders to cut ability to win two simultaneous wars by

ver.
"We're wrapping a veneer of strategy on a budget that's already been decided," said a mid-ranking officer who is tracking the strategy review inside the Pentagon.

Mr. Aspin, however, contends that while he has to live within risea; constraints, he still has wide latitude to shape the military. According to a senior official who reflects Mr. Aspin's views, the defense secretary may choose to preserve some force structure by shifting funds from weapons-modernization Mr. Aspita sketched a statisty of applica-

for doing more with less life said, for examflicts. The idea was that if two regional wars the Pentagon already is under orders to cut ability to win two simultaneous wars by empted at once, the nation would throw \$88 billion from its budget over the next four relying more heavily on technology, in par-

massive amounts of force into the first con-flict and use air power to hold the line in the ver.

years and has relatively little room to maneu-ticular "smart" anti-armor weapons that can defeat enemy tanks at great distances defeat enemy tanks at great distances.

Mr. Aspin also asserted the need to maintain a strong overseas presence by using smaller forces more creatively. He said, for example, that a "sustained naval presence overseas" in the Mediterrancer Sources

And and the Gulf does not necessary for a to be filled with naval battle groups bail: around aircraft carriers. In some circumstances, he said, the nation could do the job with smaller expeditionary forces or air force squadrons rotated to land bases in the re-

ward bases for limited periods, raterspersed with carrier deployments, to maintain virtually continual air power in forward regions."
Mr. Aspin said.

# Behind the Yale Bomb: Mystery Campus Terrorist

By Stephen Labaton New York Three Service

NEW YORK - A letter bomb that coram who terrorized campuses and high-technology companies around the country since the 1970s, federal officials say.

The authorities said they believed that the package that exploded Thursday at the computer science center at Yale, in New Haven, Connecticut, had come from the same person who sent a bomb to a professor at the University of California at San Francisco on Tuesday, and who has sent 12 other similar packages since 1978.

Scores of law-enforcement officials have tried for years to track down the bomber, whom they dubbed Unibom, for University Bomber. The authorities have never been able to establish a motive or precise pattern to the bombings, but officials said the bomber's distinct signature was clear this week from the material used to make the bombs. They also made the connection to the earlier incidents from a

**Away From Politics** 

letter received Thursday by The New York Times.

The letter, which was postmarked June wounded a prominent component science. 21 from Sacramento, California, warns of professor in Yale University has market "a newsworthy event," and identifies its professor in Yale 1970 and identifies its professor in Yale 1970 and identifies its It promises to "give information about our goal at some future time." Authorities said the bomber had previously identified himself as FC. William S. Sessions, the FBI director,

said the agency had sent a message by computer network to most university computer science departments to be on the alert for suspicious packages.

The bomb at Yale went off in the hands of David Gelerater, 38, the director of undergraduate studies in computer science at Yale. Moments after the bomb exploded, ripping off his shirt, he ran from his fifth-floor office at Yale's computer science center building to a health clinic a block away, leaving a trail of blood. Mr. Gelernter's condition was upgraded from critical to serious after surgery. He suffered severe wounds to his abdomen.

come a rabbi, is best known for inventing an innovative computer programming language he named Linda, after the pornography star Linda Lovelace. It has attracted a and in certain commercial applications. including publishing and computer ani-mation. He has also expressed a strong commitment to applying computer tech-

Mr. Gelerater, who had studied to be-

nomic problems. Officials said that after the bombing, the switchboard at the Veterans Affairs Medical Center in West Haven, Connecticut, received a call from someone who

nology to a wide array of social and eco-

said. "You are next." Mr. Gelernter's brother, Joel, an assistant professor of psychiatry at the Yale Medical School, works at the medical center, but Dean Eserman, assistant chief of the New Haven police force, said the authorities did not know if the bombing and the phone threat were related.

Joel Gelernter is also a specialist in genetics, and the authorities said they did not know if threats to him were also connected to the bombing Tuesday in Califor-

The victim in California was Charles Epstein, a geneticist, who lost several fin-gers and suffered a broken arm and severe ded brown envelope at his home in Tibu ron, near San Francisco. Mr. Epstein, 59, continued recuperating Thursday. He is widely known for his research into Down's Syndrome and other genetic defects and heads the university's division of medical genetics.

Law enforcement officials said that they believed the mail bombs were the latest in a series of deadly parcels that have been mailed or placed by the bomber since May 26, 1978. The bombs have injured 21 peo ple and killed one, Campbell Scrutton, the owner of a Sacramento computer shop, on

While most of the bombs apparently have been sent to people who work extensively with computers and in high-technology fields, investigators have been at a loss to establish a more concrete pattern and motive.

# Campbell Takes Office in Canada

#### Setting Example, Prime Minister Cuts Cabinet by a Third

◆ The federal base closing commission voted Friday to close the Charleston, South Carolina, naval shipyard, while deciding to keep Compiled by Our Staff From Dispatches open the shipyards in Norfolk, Virginia, and Portsmouth, New Hampshire. The panel also voted to shut the Plattsburgh Air Force Base in New York and K.I. Sawyer AFB in Michigan and to scale OTTAWA - Kim Campbell took office on Friday, the first woman to be prime minister in back operations at Homestead AFB near Miami, March AFB near tos Angeles and Griffiss AFB in New York state. Canada, in a bid by the governing Conservatives to recover populari-ty in time to win elections this year. Two Endeavour astronauts secured a satellite's loose antenu when they left the shuttle on a spacewalk to help NASA train for the She succeeded Brian Mulroney. Hubble Space Telescope repair mission. G. David Low and Peter Wisoff, tethered to the shuttle as they moved about Endeavour's who retired after almost nine years in office and had become Canada's

chest, face and hands.

payload bay, spent more than two hours on their first job: securing two wayward antennas on a European science satellite locked in the shuttle's cargo bay. • The latest wave of violent crime in Washington, in which 17 people have been killed since Monday, is prompting comparisons to Soma-ia and frastrating officials who recently boasted that they were

beginning to get the lawlessness under control. Police suggest that much of the violence is linked to gang warfare. As of Thursday, the homicide total for the year had reached 216, seven more than the same date last year. • The Senate Permanent Subcommittee on Investigations has determined that the financial problems of Empire Blue Cross and Blue

Shield, the largest nonprofit health insurer, are largely a result of its own mismanagement and not unfair competition.

with regional development in the French-speaking province, which is

most disliked postwar leader.

Mrs. Campbell, 46, quickly

native of Quebec, as her deputy

prime minister and minister of in-

Mr. Charest was also charged

dustry and consumer affairs.

al elections that Mrs. Campbell must call before November.

Gilles Loiselle, a Quebec nationalist and Mr. Mulroney's treasury board president, became finance minister. Tom Hockin, a business professor, was named trade minister.

Mrs. Campbell chose Perrin Beatty, 43, the former communications minister, as secretary of state for external affairs. The prime minister, a lawyer

moved to make her mark on gov-ernment by slashing the size of the cabinet by almost one third, to 24 from Vancouver who held the justice and defense portfolios under posts from 35, as a cost-savings Mr. Mulroney, has vowed to freeze spending and do away with Cana-She appointed her main rival for da's \$27.6 billion-a-year fiscal defithe leadership of the Progressive cit in five years without raising new Conservative Party, Jean Charest, a taxes.

Mrs. Campbell, Canada's first prime minister to be born in British Columbia, favors extending the North American Free Trade Agreement to Pacific-rim countries. She will have an uphili battle to key to winning a majority in gener-revive the Progressive Conservative

+ Greece

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Party's chances of holding onto

A Gallup poll released Thursday showed that the Conservatives have picked up support since Mr. Mulroney resigned, but are still trailing the opposition Liberals by 5 percentage points. The poll said Conservative sup-

port has risen to 36 percent, from 31 percent a month ago, while the Liberals have advanced to 41 percent, from 39 percent, at the expense of the New Democratic Pariy, which has fallen to a 30-year

Mrs. Campbell has said that she will not undo the policies that turned Canadians against Mr. Mulroney, particularly free trade with the United States and a goods and

SCIVICES 12X. Mrs. Campbell won the leadership at the Conservative convention two weeks ago.

## Health Administrator is Named as AIDS Czar

\* POLITICAL NOTES\*

#### WASHINGTON (AP) - President Bill Clinton on Friday named

Kristine Geobie, the former Washington state health administrator, to be the first AIDS czar, saying the nation must "look for unprecedented remedies to unprecedented problems."

A construction of the control of Gebbie, whose formal title will be AIDS policy coordinator, "a proven health-care leader."

Ms. Gebbie, a former nursing professor who left the Washington state job this spring after four years, will oversee a \$2.7 billion effort to combat the disease and lend comfort to its victims. She steps into a or that in fer has existed only in title. The authority and duties and twee, purificly defined.

"Ims position has never existed before, but circumstances now require us to look for unprecedented remedies to unprecedented problems," Mr. Clinton said.

#### With Usual Flourish, Wilder Challenges Robb

WASHINGTON — Employing the dramatic, offbeat style he reiishes, Governor L. Douglas Wilder of Virginia made the expected announcement at an unexpected place and time: He is running against his bitter political enemy and fellow Democrat, Charles S. Robb, for Mr. Robb's Senate seat next year.

Mr. Wilder said he planned to challenge Mr. Robb within the Democratic Party for the nomination. But, Mr. Wilder warned, if he feels he is being denied a fair shot by the party, he may run as an

his political career at an event that was not even on his public

schedule — the taping of an interview program on Black Entertainment Television. The show is recorded in Washington, not Virginia. and this installment is not scheduled to be aired until Sunday. While Mr. Wilder had promised he would make an announcement before he left for Central America on Sunday, party activists and reporters were expecting the governor to schedule a major media

#### Congress and Gay Groups Near Agreement

event in Richmond.

WASHINGTON - After months of negotiations, the Clinton administration. Congress and homosexual rights groups have nar-rowed their differences over homosexuals' service in the military. Nevertheless, officials say, two major hurdles remain: defining precisely the extent to which homosexuals in uniform may speak about their sexual orientation, and whether to declare homosexuality incompatible with military service.

As Defense Secretary Les Aspin prepares his recommendations for President Clinton, scheduled July 15, it has become clear that they will fall short of Mr. Clinton's campaign pledge to unconditionally lift the Pentagon's ban on homosexuals. But all the parties seem open to a compromise.

"There has been a lot of progress," said Representative Barney Frank, the Massachusetts Democrat leading the fight in Congress to ifft the ban. "The gap is not unbridgeable. But it still may not be bridged."

The compromise the administration is trying to reach to win the

endorsement of important lawmakers, the Pentagon and most homosexual rights groups is some version of the approach called "don't ask, don't tell."

(N)'T) Only Senate Can Save Supercollider Now

#### WASHINGTON - The Senate is once again the only thing

standing between life and death for the \$10 billion superconducting The House voted, 280 to 150, to kill the project already being built

in Texas. The House also voted to pull the plug on the supercollider last year, but the Senate rode to its rescue. This year, however, backers say the 130-vote chasm separating House opponents and supporters sends the Senate a strong message that may be difficult to overcome.

"The House didn't give us a lot to build on," said Senator Phil Gramm, Republican of Texas. "I don't think it's fatal, obviously, in that we still have an opportunity to do in the Senate what we did last year. But it's disappointing."

#### Quote/Unquote

Representative Sherrod Brown, Democrat of Ohio, before the House voted to terminate the supercollider. "Welcome to Jurassic pork. Like the dinosaurs of old, the supercollider is lumbering once again across the legislative landscape, searching, foraging, seeking more federal dollars for its survival,"

(AP)

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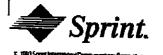
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# Herald Tribune.

# **Hurting Their Own Cause**

Despair and anger contributed to the attacks on Thursday by Kurdish militants against Turkish embassies and businesses in five European countries. But ignorance and zealotry were also at work in a wave of terrorism that tarnishes the Kurdish cause. The Kurds won no friends by threatening to kill 20 hostages in Munich unless Chancellor Helmut Kohl ordered Ankara to cease attacking Kurdish villages in southern Turkey.

Mr. Kohl held his ground and the hostages were freed. Even so, such acts can hardly help Kurdish causes, including that of the Kurds seeking political asylum in Germany. Worse still is the moral irony: Kurds who attack Turks because they are Turks put themselves on the same level as Germany's racist skinheads who firebomb Turkish "guest workers" because of their nationality.

This moral confusion bears the familiar mark of the Kurdistan Workers Party, a

fiery Marxist group known in Turkey as the PKK, whose excesses have provoked bloodier excesses by the Turkish armed forces. In March, a cease-fire seemed possible in a nine-year conflict. But the truce collapsed in May when PKK guerrillas ambushed and killed more than 30 unarmed soldiers. That provoked mass reprisals that Kurdish hostage-takers wanted Germany to stop.

The Kurds, stateless people scattered in five countries, have been poorly treated almost everywhere. They have been butchered in Iraq and used as pawns by Syria, Britain, Russia and America. In Turkey, their very identity was denied until recently - they were called "mountain Turks," and forbid-

den even to speak their own language.
But the PKK prefers grievances and martyrs to a cease-fire. Taking hostages and assaulting Turkish diplomats in Europe will not shorten the agony of an ill-used people.

- THE NEW YORK TIMES.

## Clarity, Please, on Bosnia

The charitable explanation of President Bill Clinton's asking the German chancellor to support a lapsed American effort to arm Bosnia's Muslims is that his aides goofed. Chancellor Helmut Kohl acceded to Mr. Clinton's request, was rebuffed by his fellow Europeans and turned around to find Washington saying that Mr. Clinton had not meant to renew his arm-Bosnia initiative after all. We can believe that: The idea of arming the Muslims fits the old Clinton administration policy of keeping Bosnia formally whole under the Vance-Owen plan but not the new Clinton administration policy of ditching Vance-Owen and em-

bracing partition.

But even this explanation does not justify or diminish the amazing incompetence of having the president say something one day to a foreign leader on a subject of great sensitivity and importance and almost immediately claim it was not what he meant.

Still, there is also a less charitable and perhaps more plausible explanation. It is that Mr. Clinton's Bosnia policy is a shifting and unshaped thing not tightly gripped even by the president himself. For instance, it is still not clear whether earlier, in seeking allied support for offering some limited

political and military relief to the Muslims. he wanted the allies to say ves or no. Yes would mean he had allied consent but then would have to take certain risks. No would mean he could avoid those risks. If it is true that Mr. Clinton has been ambivalent about his own policy, then it is not so puzzling how aides might have failed to keep him from setting up Chancellor Kohl,

In fact, his articulation of policy remains inadequate. If the president no longer means to encourage the Muslims to expect help in evening the odds, does he have any further thoughts about lightening the bur-dens of their abandonment? Does his old offer to let American troops join the peacekeepers in an agreed Bosnia solution still stand? What are now the conditions for lifting the sanctions in place against Serbia? If what happens in Bosnia no longer matters enough to try changing, what about Kosovo, Macedonia and so on? Arching over all the particulars is the larger strategic question of whether the United States will find and assert its own mind in Balkan policy, or whether, caught up in a mood of frustration and disengagement, it will simply go with the general flow.

- THE WASHINGTON POST.

## Terror on the Hudson

New Yorkers are grateful for the story they did not have to read in their newspa-pers or experience firsthand. Bomb attacks on Hudson River tunnels, the United Nations and FBI headquarters ... assassinations of local and international public figures ... mayhem, chaos, terror. The city owes thanks to federal and local anti-terrorist units for Thursday's pre-emptive arrests

Thirteen years of close cooperation between federal and local anti-terrorism units paid off on Thursday. Using an informant, authorities had patiently tracked the suspects for months as they allegedly discussed targets, carried out reconnaissance, and acquired a safe house, vehicles and bomb ingre-dients. When the agents heard that the suspects had begun to mix fuel oil and fertilizer and that several were preparing to flee

New Yorkers and other Americans rightly ask why authorities cannot erect more systematic defenses against international terrorism. Most of the suspects are originally from the Middle East, and are followers of Sheikh Omar Abdel Rahman, the funda-

mentalist Egyptian preacher.
Senator Alfonse D'Amato of New York,

reportedly an assassination target, calls for tougher border enforcement, making terrorism a capital crime and launching military strikes against terrorist nations. Those sound like satisfying steps but do not fit the facts.

Strict and consistent enforcement of existing immigration and asylum rules is clearly desirable, and not just to stop terrorism. Sheikh Abdel Rahman should not have been allowed to enter the country, given his record of deadly incitement in Egypt. But his links to the terrorists arrested Thursday. and to the World Trade Center case, are indirect. And most of those arrested are legal U.S. residents.

Capital punishment is unlikely to deter people who willingly accept martyrdom and suicide missions. There is not yet enough evidence of complicity by foreign governments to justify hasty counteratwhere scarcely repays threats to innocent civilians in America. And Mayor David Dinkins was right to caution New Yorkers against directing their fear and anger at

Middle Easterners or Muslims as a group. That leaves basic law enforcement - and it showed its worth on Thursday morning. -THE NEW YORK TIMES.

#### **Other Comment**

#### A Bully Start by Mr. Kim

What president recently completed his first 100 days in office with an extraordinarily high popular rating, after making good on his campaign promises to carry out a number of near-revolutionary political changes? The answer is Kim Young Sam, South Korea's first truly civilian president in nearly three decades, a respected longtime dissident who now heads a sometimes uneasy ruling party coalition of old-line conservatives and determined reformers. President Bill Clinton plans to meet with Mr. Kim in Seoul in a few weeks, providing a new opportunity to underscore the importance of U.S.-South Korea relations.

Mr. Kim's presidency signifies the insti-tutionalization of Korean democracy after an almost uninterrupted post-World War II era of military-based or military-backed authoritarian regimes. He has wasted no time since taking office in attacking the old order. He brought the armed forces to heel and — he believes — foiled any chance of a future military coup by summarily dis-charging a dozen or more senior generals. He has launched a sweeping assault on official corruption. This month the National Assembly enacted the Public Officials Ethics Law, which will require the top 7,000 civil servants and politicians to make public their personal financial affairs.

More is probably in the works, including economic reforms that, among other things, could cut back on the government's involvement in the \$300 billion economy. Washington so far has reason only to applaud what Mr. Kim has been doing. Basic

U.S.-Korea political and security relations are sound. It further helps American credibility among Koreans that, finally, Washington is able to support a freely elected moderate in Seoul.

- Los Angeles Times.

#### Bosnia: Shame of the West

The European Community opted at the close of the summit meeting in Copenhagen to reject the "territorial solution" agreed to by the Serbs and Croats, who decided to divide Bosnia-Herzegovina into three nations. The international community, and especially Europe, on whose soil this terrible war is being waged, has shown itself incapable not only of ending the hostilities. but of punishing the war crimes that are shaming mankind. European leaders clearly fear getting more involved in the conflict. The fact that the EC rejects the territorial

partition is meaningless. Serbs and Croats are content to continue the war, knowing that nobody will do anything to stop it until they reach their final, definitive victory. - El Mundo (Madrid).

The West has abandoned Bosnia-Herzegovina to Serbia and Croatia just as it abandoned Czechoslovakia to Hitler's Germany. Bosnia-Herzegovina is a human trag-edy. The basic United Nations principle that says frontiers cannot be altered by by use of force has been callously trampled upon. The law of the jungle, and not the law of the UN, dominates the "new world order" in the post-Cold War era.

- Cumhuriyet (Istanbul).

#### INTERNATIONAL HERALD TRIBUNE

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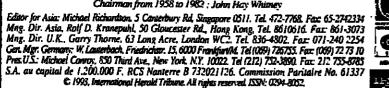
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# OPINION

# Let the Victors Not Forget Their Agenda

LONDON — Cast your mind back, if you can, to that eons-ago time just after the Cold War had ended and the Gulf War had been won. It is worth recalling what most of us were hoping for back then in 1991. The point is not to linger on the pain of disappointed hopes, but to remind ourselves of what the purpose of that astonishing double vic-

tory seemed to be, those mere two years ago. The agenda of the relieved victors of 1991 could have been jotted down on the back of a small envelope, as follows:

First, the countries that have brought off this triumph had better stay together. Only thus will they

In the short time since the Cold War ended and the Gulf War was won, the West has lost its grip and its sense of purpose.

be able to distribute to others some of the good things they themselves now more safely enjoy.

Second, they should carefully start on a program of spreading those good things, at least in their own immediate neighborhoods. The benefits of civilized politics and efficient economics cannot be distributed over the whole globe with one wave of the wand. But, where the cry for help is loud and

close, do something.

Third, the winners of the Cold War must make sure that the instruments of international power, especially nuclear power, do not fall into the hands of people who fundamentally disagree with the democracies view of the world.

Now tick off the failures. The victors are not holding together. They are falling apart, along the familiar fault-lines of economic self-interest.

The economic quarrel between Japan and America has grown shriller since Bill Clinton came to office, with no evidence that shrillness is going to solve the problem. Worse, since they were the core of the great alliance, America and Europe have moved closer to a split.

The new French government has repeated France's refusal to honor last year's Euro-Ameri-

By Brian Beedham

can deal on farm trade. Without that farm deal there will be no new GATT agreement, and without a new set of GATT trading rules there will be an economic war of all against all.

Sharpening the danger, some Europeans now argue that the high labor costs of Europe's factories are another reason, in addition to the high prices of Europe's farmers, for building a protectionist wall around Fortress Europe. In 1991, the odds were still in favor of avoiding a global eco-nomic war. Now they are at best fifty-fifty.

The slippage of the odds is even worse when you

turn to the prospects for nuclear proliferation. North Korea said earlier this month that it might not, after all, withdraw from the Nuclear Nonproliferation Treaty. But there is still no word that the world's nuclear inspectors are therefore about to take a look at North Korea's two suspect nuclear sites, as the treaty says they should. If no such inspection takes place, and if no other way of getting at the truth is found, it will have to be assumed that the world is going to let Kim Il Sung make his bomb in return for a meaningless tip of

his cap at that treaty. Meanwhile, in Ukraine, another act of prolifera-tion comes closer. A growing number of Ukrainians now say they want to keep the nuclear arms they inherited from the ex-Soviet Union. They also reckon they can break the electronic codes that will enable them to use at least some of these weapons. This is partly the West's fault. The Ukrainians live next door to a pugnacious and nuclear-armed Russia. To give up their missiles and bombers, they

the West was willing to give.

Net result for the betting shop: three to two that conproliferation is a dying cause, and that we are

vanted a better reassurance of their security than

heading for a multinuclear world. And that program to spread some of the world's good things to its less fortunate people? Let us be fair. The attempt to bring democracy to Cambodia has gone remarkably well, though it is still hard to understand why the Khmer Rouge so mysteriously let a free election take place. It remains possible that peace and food can be

brought to Somalia, though some people's reaction to the zapping of Somali warlords makes you wonder whether the will to act is going to last.

But neither of these things counts for much alongside the West's ignominious defeat in ex-Yugoslavia. This was the chief test of the democracies' resolution, not only because of its physical closeness — Bosnia is much nearer the western end of Europe than its eastern end - but because, if anyone was to bring a just peace to ex-Yugoslavia, it had to be soldiers from Western Europe and America.

The past week's events are the final proof that the test has been failed. For two years, the democracies' handling of this issue has shown neither intellectual nor moral clarity. They have said one thing and done another, promised action and failed to deliver, tiptoed forward and then stum-bled hastily back. History will say that they could probably have enforced their principles, and honored their words, at no unbearable cost; but that they were unwilling to face any sort of fight. The fact has not gone unnoticed. This was the unfired shot heard round the world

The post-1991 loss of grip is not incurable. The Clinton administration is still working out what it wants to do in the world. Plenty of Europeans are ashamed of their abysmal recent performance. But neither Americans nor Europeans will do much better unless they east their minds back to 1991, and recall the sense of purpose they then felt.

They did not win that victory merely in order that they should be rich and safe, and let the rest of the world go hang. They cannot afford to let it so hang, anyway; they need to trade with it, and they dare not let it fall into nuclear anarchy. But even if the wealthy democracies could afford to turn their backs on the rest of humanity, they should not wish to do so.

The victory they so recently won was the vindi-cation of an idea — the idea that people everywhere have the right to run their own lives. Drop the "everywhere," and substitute "just in our bits of the world," and the proposition becomes meaningless. There will be no recovery from the past two years' confusion until we remember that we have an agenda.

International Herald Tribune.

## Private Investors Can Give Russia the Boost It Needs

By Georges Skorov This is the second of two articles. cent of the total assets of the Russian

DARIS - There is currently no appropriate mechanism for inter-national financial assistance to Russia and other countries of Central and Eastern Europe. The Interna-tional Monetary Fund is unequipped to deal with the challenge of post-Communist transformation. The IMF and the World Bank have no experience in supervising institutional change, on which the success of market-oriented reforms depends. The IMF was conceived as an intergovernmental organization and is structured to deal with official au-

individuals, cooperatives and public enterprises, which intend to become private stock companies. To radically increase the efficiency of international financial assistance and adapt it to the special circumstances of Russia and other economies in transition, a new mechanism should be devised. Unless it is done at the Group of Seven summit meeting in Tokyo next month or shortly there-

thorities, states and governments. In

the process of transition to a market

economy, the chief players and po-

tential beneficiaries of aid are private

would inevitably be low. The foundation of a market economy is private property. Today, 90 per-

N EW YORK — At last, the gov-ernment of the United States is

pulling itself together — White House, Congress, Supreme Court — to show how determined and target-

minded it can be when it comes to

Well, not all social crises — not things like controlling the gun epi-

demic that sickens American life, or

helping the mentally ill to get the care

to take them off the streets, or push-

ing the war against drugs to the vic-

But when it came to some boat-

loads of people fleeing China and

Haiti, the government showed its

stuff prenty quick.
First, the Chinese were hustled off

to prisons distant from human rights

lawyers. And now Haitians have been

taught by the administration and the

Supreme Court that the Coast Guard

can hijack them at sea and send them

right back home; never mind what Bill Clinton promised when he was

running toward the White House in-

Some Americans — liberals, radi-

cals, conservatives — are ashamed. They are connected by the belief that

the open arms of American history

helped make the country more than a

large piece of real estate. But many more Americans — lib-

erals, radicals, conservatives - react

as if refugees must be fought from ship to cell. They seem afraid of the

American sense of compassion and

welcome that makes people all over

the world bless the name of the land.

stead of living in it.

handling a social crisis.

tory in sight.

after, the efficiency of the aid effort

economy remain government-controlled. Until this situation is radically changed, one cannot talk seriously of a market economy or private enterprise. Yet, the assistance to privatizing pub-lic assets has been given a low priority in international aid efforts. By setting up a privatization fund in the proposed Tokyo package, the G-7 leaders can make a direct contribution to radical market reform in Russia - though they now say the fund will be only \$1

tling retreat.
To maximize whatever privatization funds are made available and help thousands of small- and medium-sized state enterprises become private companies, two conditions must be met. First, international financial resources should be given as nonrepayable grants and subsidies. not as loans and credits. Second, the money should be given directly to the interested people and companies under strict international control, not to

billion instead of the \$4 billion prom-

ised earlier. This is a serious and unset-

the government bureaucracy.
Unless a new approach is tried, the privatization fund would follow the

Compassion Is in America's Interest

By A. M. Rosenthal

have become bigots themselves,

clones of those who warned that the country would be ruined by Jewish

peddlers, Italian gangsters and Irish

layabouts. America provides many

But mostly coldness to immigrants

About 800,000 immigrants come to

things, but no vaccine against hate.

comes from economic fears and con-

fusion about the complications of im-

the U.S. annually. Sometime, lying in

a hospital emergency room, look up at a Philippine nurse bringing relief. Decide whether the United States

needs fewer immigrants or more.
About three million foreigners live

illegally in the United States, many of

them Mexicans who saw no moral

reason why they should not go from

their poor country to seek work in a

rich country across a historically re-

cent border. We can stop this by

helping the neighbor become some-

what less poor, or saying our house is

your house. Otherwise - argue with

America's lusty history, which made

In any case, immigration creates

national wealth, not national burden.

It does add government costs in some

places — which Washington wrongly

shoves off on cities and states.
About 90,000 to 100,000 other for-

eigners arrive every year to ask for

asylum as refugees — people who fear death, imprisonment or torture if returned. Most prove their cases.

its borders too big to patrol.

migration and asylum.

path of many other government finan-cial plans: A good deal of it would be misused, some would land in private bank accounts in London, New York and Zurich, and the long-overdue change in ownership titles would be spread over many more years.

There is an area that should get priority assistance by the West: conversion of Russia's military-industrial complex. This complex has been a nightmare to the West for decades, and Moscow has at last agreed to transform it to civilian production. Yet Western governments regard its transformation as if it would primarily benefit the Russians. That is a wrong attitude. No means

should be spared to dismantle the monster, it is in the best interests of all. It would be cheaper, and a better use of Western taxpayers' money, than financing a renewed arms race. Reconversion of the military-in-

dustrial complex would also be a golden opportunity for direct invest-ment in the economy. Russia still has an enormous industrial economy. The technological base of its defense sector and, particularly, its scientific infrastructure

survival. Is that a reason for America to panic against the ideals of immi-gration and refuge, which helped cre-

ate the country?
Groups like the New York Immi-

gration Coalition and the Lawyers Committee for Human Rights explain the much-publicized backlog problem

of 250,000 pending asylum cases. Sweden has 800 officers handling

asylum cases. Germany has 3,000. America has 150. Who created the

backlog — desperate people seeking a safe life or the U.S. bureaucracy,

the same bureaucracy that allowed

despite strong existing laws?

that in December.

uphold the Bush order.

all Americans.

Middle East terrorists to get through

United States. But the truth is they

flee Haiti to escape "endemic wide-

spread human rights abuses," dicta-

torship and "the worst poverty in the hemisphere." Doris Meissner,

the immigration specialist, wrote

Candidate Clinton said the Bush

policy of hijacking Haitians on the high seas to send them back was so

cruel that he would reverse it. But

then President Clinton fought suc-

cessfully in the Supreme Court to

Dr. Meissner is now Mr. Clinton's

nominee to head the Immigration

Service. Perhaps she can convince the

president that although the Court

gave him the right to go back on his word it is not forcing him to do so. In the end, faithfulness to compas-

sion as national interest remains a

matter of choice, for presidents as for

The New York Times.

Haitians have no clout in the

and pool of highly competent and poorly paid individuals, make it a unique investment opportunity. In the struggle for economic su-

premary between the European Com-munity, Japan and the United States, the first party to establish a long-term strategic interaction with Russia will gain unrivaled advantage.

What Russia needs most in years

to come is private direct foreign investment in the economy, not new government loans. And Russia has many sound investment opportuni-ties. But to link these opportunities with investors in the West and Japan, many hurdles have to be overcome. Least important, perhaps surpris-ingly, is political instability. For whatever the outcome of the present political and constitutional crisis, any future government will have to stand

need foreign capital investment. Most appropriate in the present circumstances would be an arrangement that would provide necessary guarantees by the governments of the main capital-exporting countries.

for a market economy and will badly

National insurance funds could be set up to guarantee private invest-ments in the Russian economy. The money in the insurance funds would remain in the taxpayers' country, and provide a profit, as any other finanwould open profitable investment opportunities which, in turn, would bring new orders to the national industry and service sectors, increase the exports of goods and services and

thus help create jobs.

This would not be enough to stimulate a massive flow of private capital into the Russian economy, but it removes one serious obstacle.

Another one that must be addressed is the lack of a stable legal framework, encompassing a code of foreign capital investment, but also domestic civil, commercial and penal codes, guaranteeing and regulating private ownership rights, real estate and financial markets, bankruptcy and the like International help on technical aspects of such a frame-work would be invaluable.

Another obstacle is lack of genuine convertibility of the ruble. For now, convertibility is limited to a narrow group of economic agents. To solve this problem, help is needed in imple-menting an anti-inflation program, and vigorous and tight monetary, fis-cal and income policies.

All these impediments can be overcome, if there is clear understanding of their nature, and clear determination to see them through. Private foreign investment is not a matter of charity. It is an expression of enlightened self-interest and mutual benefit. Therein lies the promise for the future.

The writer is senior research fellow at the Russian Academy of Sciences, and adviser to the Bank of Russia. He is visiting professor of economics at the HEC graduate school of management in Paris. He contributed this comment to the International Herald Tribune.

# 'Just Stop Worrying' The Bomb:

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By Stephen S. Rosenfeld

WASHINGTON — A subtle and ominous change is starting to touch global efforts to keep new nations, beyond the five permaner nent members of the UN Security Council, from openly acquiring maclear arms. The new advice that is starting to be offered to policymak. ers working the nonproliferation beat is to stop worrying about it so much, to accept it as inevitable and to turn acceptance into a political and strategic virtue.

Doug Bandow of the Cato Institute Doug Bandow of the Cato Institute, for instance, does not stop with an off-the-wall proposal for Washington to help South Korea go nuclear in order to cancel any bomb that may turn the North. Writing in the Wall Street Journal, he goes ou: The thought of expanding the world's meclear club might seem unserting, but a growing number of nations are likely to account atomic weapons in the years. to acquire atomic weapons in the years ahead." despite the Nonproliferation Treaty. "Given the risks of coercine nonproliferation, the U.S. needs to find ways to adjust to a world in which nuclear arms proliferate."

John J. Mearsheimer of the Uni-

versity of Chicago makes, in Foreign Affairs, "The Case for a Ukraiman Nuclear Deterrent." He takes the bold and loopy view that only by having its own makes can Ukrained protect itself from Russia and keep Europe stable. It is positively destabi-Europe stable. It is positively destablizing, he suggests, for the United States to try to force Ukraine to surrender its formerly Soviet nuclear arms. Mr. Mearsheimer goes on: "Vilifying nuclear weapons is a fashionable sport in the West. Many believe they are a major source of tension between states and that their deterrent value is mite limited. Given these he value is quite limited. Given these beliefs and the hombie consequences of nuclear war, it is hardly surprising that many people want to rid the world of these weapons. This view of micker weapons is simplistic."

Other voices call, in the name of realism and the accommodation of friendly governments, for coming to nuclear terms with selected nations among the half-dozen or so with known programs. It is plain enough what has jumbled the nuclear see The Cold War let Moscow and Washington raise a protective strategic un-brella over lesser powers and disci-pline them at the same time: Their nuclear progress, if it was permitted at all, had to be discreet.

But one great power has disap-peared, and the other, though it denies it for the record, is in a mood of international reserve. What with threats now coming not from a responsible superpower but from less predictable Third World sources, the United States finds it more problemand both to protect its friends and to discipline them. This is the context in which Third World ambitions and anxieties alike have flowered.

Mr. Bandow and Mr. Mearsheimer respond to these new post-Cold War circumstances. But they respond to them in a trivializing and lightheaded way. "Vilifying nuclear weapons is a fashionable sport"? It does not help to take potshots at remnants of the ideological left of an earlier nuclear debate.
"The U.S. needs to adjust to a world of proliferation"? This amounts to neoisolationist flight from the challenges

of responsible nonproliferation policy.

The Bush and Clinton administre tions have at least striven to do ber ter. They have improvised policies to fit the differing circumstances of Ukraine and North Korea, India/Pa kistan and Israel, Iraq and Iran. They can be faulted on effectiveness, but their concern is serious.

The trouble is that there is a short-

age of the principal substitute for the old great-power patronage. I refer to the possibility of drawing would-be nuclear countries into a network of smothering security and other ties that at once provide those countries with military and political reassur-ances and restrict their nuclear options. International engagement — with, if it fails, a last-resort military option - is the right answer to the fears and temptations to which progen

liferation is the wrong answer.

Meanwhile, I would give South Airica the Nobel Peace Prize for its courageous decision to become the first former nuclear state. Pretoria announced in March that it had built six bombs, as was suspected, and then destroyed them, which was unknown. It is disquieting that a then-parish regime could build a cheap bomb (\$250 million) and keep it secret for 20 years. But the example of a country that rethought its basic policies and decided it would be better off aban-doning the ultimate symbol of power desperately needs to be encouraged. The Washington Post.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Blockade of Siam PARIS — The news from Siam would be disquieting, were it not pretty certain that France had al-

ready come to an understanding with England in reference to the impending blockade of the Siamese Coast. The fact that the British Consul at Bangkok was the first to advise European residents that such action on the part of France was probable, leads to the supposition that the two Powers are acting in tacit agreement.

1918: Homage to Wilson

PARIS — The Municipal Council yesterday [June 26] decided to give the name of President Wilson to the avenue on Trocadero. By further graceful tribute, it decided that the ceremony shall take place on Indecement Part The resolution reads. pendence Day. The resolution reads: The Council, unanimously saluting the noble figure of President Wilson and desiring again to pay homage to the eminent Chief of State and to the

. . .

great people of the United States, resolves that the avenue du Troca-dero be renamed avenue President Wilson." The handsome tree-lined avenue crosses the place d'Iéna, on which stands a statue of Washington.

### 1943: Not Even Gabriel

WASHINGTON - [From our New York edition: President Roosevelt renewed today [June 25] his arguments against one-man control of food supply and prices, a proposal already started on the road of legisla-tive action yesterday by the House Agricultural Committee. The Presi-dent said the idea of a food czar was only a red herring, insisting that the main issue was whether Congress and the people want inflation or not. Sup-pose the Angel Gabriel were the food czar, the president suggested, would he be able to get more food to the people at the present cost? Every-body is in favor of growing more food in 1944, but neither a food ear nor Congress can make more food grow.

Among these Americans are de-But suppose some do pretend to be scendants of immigrants who simply "genuine" refugees, to find economic



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# Assault On Rights Averted

Vienna Talks End On Upbeat Note

> By Alan Riding New York Times Service ....

VIENNA - With Western nations holding off an asseult on human rights by a group of hard-line regimes, the World Conference on Human Rights ended on a surprisingly upbeat note Friday night as delegates called on the United Nations to play a larger role in denouncing abuses.

Western delegations were particularly pleased that, after lengthy bargaining, the conference endorsed an American proposal for the creation of a new post of High Commissioner on Human Rights as part of the effort to give the United Nations extra powers to

monitor human rights.

More than anything, though, the
United States and other Western nations were relieved that their worst fears — a retreat from the basic tenets of the 1948 Universal Declaration of Human Rights as the result of a bitter North-South ·clash — were not realized during the two-week meeting.

"We came to Vienna with less than high expectations," John Shattnek, the chief American delegate, said Friday night. "But we worked with other delegations to stop any backshiding on human rights. And, on balance, it was a successful event. It has produced a strong forward-looking docu-ment."

The West's main concern was that a bloc of mainly Asian nations, led by China, Iran and Syria, might succeed in an attempt to challenge the universality of human rights by arguing that they existed as a function of a country's history, level of development, cultural tradition and religion.

While the conference's final declaration does take note of these 'variables, however, it commits states to promote and protect all human rights "regardless of their political, economic and cultural systems." And it adds: "The universal nature of these rights and freedoms is beyond question.

Conversely, because the conference had agreed to work through consensus, only days ago it seemed unlikely that a High Commissioner on Human Rights would be ap-proved. In the end, though, the conference recommended that the General Assembly consider the idea "as a matter of priority" at its annual session this fall.

The conference itself had no legislative authority, leaving central decisions to be taken later by other United Nations bodies. But it nonetheless broke new ground by extending the definition of human rights to embrace the special rights of children, minorities, indigenous people and, particularly, women.

"The key factor has been the mity of women at the conference, Roxanne Carrillo, an official from the United Nations Development Fund for Women, said, referring to the strong presence of independent women's groups here.

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**EUROPEAN** 



SPEEDY CHALLENGE — Germany's new Social Democratic leader, Rudolf Scharping, left, being congratulated by the outgoing acting party leader, Johannes Rau, on Friday after his election at a party congress in Essen. Mr. Scharping, who will challenge Chancellor Helmat Kohl in next year's general elections, said in his speech that "we can build a Germany that nobody has to fear."

# Attali: Downfall of a Versatile High Flier

By Joseph Fitchett International Herald Tribune

PARIS - Triggered by disclosures about extravagances at the European Bank for Reconstruction and Development, the fall of Jacques Attali also reflects wornes among donor governments, especially Washington, about a self-styled maverick banker operating in the controversial field of transforming former Communist economies.

For his detractors, Mr. Attali's humbling will be seen as comeuppance for a high-flying whiz kid who habitually overreached. His discomfi-ture is an embarrassing addition to President François Mitterrand's lengthening list of confidants fallen in disgrace.

Mr. Attali's strength comes from his undis-guised glee at his own free-wheeling intellect, enabling him to outsmart and outshine the classic civil servants who traditionally run France and major international institution

Now 49, Mr. Attali has had a meteoric career as a polymath in the tradition of French intellectuals: an economist who writes novels, and a policy work who also could hang out with alented rebels. His personality is a mixture of imperiousness and compelling personal This disdain for more pedestrian minds than

his own also seems to be Mr. Attal?'s tragic

It was Mr. Attah's qualities as a brilliant outsider, a literary mind in a computerlike brain, that commended him to Mr. Mitterrand as a virtuoso exponent of Socialist economics. first as a personal tutor and then in 1981 in the

complaints as small blots on an

gave it a private sector focus that

bank," insisted one senior EBRD

official. Alone among the develop-

ment banks, the EBRD was set up with an entrepreneurial focus and

assigned to devote most of its re-

sources to making private sector

investments in its client countries.

On Friday many bank staffers still remained fiercely loyal to Mr.

Attali. At a hastily convened mid-

day meeting of the merchant bank-

ing arm of the institution, staffers

reacted sadly to the announcement

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**RELIGIOUS SERVICES** 

le it different from any othe

new president's office as an influential adviser. Functioning as the president's "idea man," he often exacerbated tensions with the United States and Japan, despite a personal fascination with America. He helped inspire Mitterrand policies starting with fruitless efforts to revive traditional Western development aid and culminating in the French-German push for a tighter European Community outlined in the

At a defining moment of the Mitterrand presidency, he helped impose the view that

astricht treaty.

#### **NEWS ANALYSIS**

France should dump the Socialist inflationary policies and stay in the European currency grid. Generally, however, his unorthodox views and lack of bureaucratic follow-up -- estranged U.S. and other foreign officials working with him as the French "sherpa" responsible for jointly preparing annual meetings of the Group of Seven major industrial democracies.

These tensions came to a head when Mr. Attali moved to the bank intended to spur economic revival in Eastern Europe. Created largely through French initiative, the new institution aroused uneasiness among many policy-makers, especially in the United States and Britain, who were leery of a new quasi-international lending body.

Apprehensions were sharpened by Mr. Atta-

h's lack of banking credentials and mercurial views. His advocacy of European solidarity seemed a swift conversion for a man who in 1981 publicly dismissed European culture as nialism" and extolled the Third World.

esced in the bank's creation largely to deflect accusations of apathy about Eastern Europe, but many smaller countries, including the Netherlands and Sweden, resented what they saw as a deal that gave London its headquarters and Mr. Attali the top job.

When press disclosures suggested a lack of accountability in his spending —counterpointed by a plagiarism scandal involving his book "Verbatim" — a review of the bank's activities was triggered that finally forced him out.

Mr. Attali has never been tainted by personal financial scandal, but he has been criticized for extravagant business habits, including the use of private planes, that he acquired as a Mitter-

His ways suited Mr. Mitterrand, who often said that Mr. Attali had 10 ideas a day, one of which was good enough to pursue.

His appetite for work — writing a dozen books, apparently at dawn before going to work has become legendary. So has his political cheekiness; putting his own desk just outside Mr. Mitterrand's office helped Mr. Attali gain prominence as the presidential gate-keeper.

From the outset, Mr. Attali - who left his native Algeria to graduate from two of the elite schools that traditionally provide top govern-ment talent — lit Mr. Mitterrand's wish to circumvent France's powerful administrative

But by intriguing against the permanent bu-reascracy, the Mitterrand presidency opened the way to irregularities, notably the corruption that disgraced several aides.

#### every Arab country.

RESIGN: Controversial Creator of European Development Bank Quits About 600 army officers have

"It just goes to show that Jacques Attali will do anything to keep his job," one board member said last

Sudan's economy ranks among the poorest in the world. Inflation is out of control. The Sudanese pound is worth little. Most commerce is by barter. The government

on essential goods.

Algeria has accused Sudan of fomenting acts of terror by Algerian fundamentalists. Sudan's support Just who will be chosen to re-place Mr. Attali is open to ques-ed a rupture with virtually all the

> But in the past year it was the rapidly deteriorating relations with Sudan's largest and most powerful neighbor, Egypt, that have dominated African affairs.

Investigators zeroed in Friday on Sheikh Abdel Rahman to deter-mine whether he was the "glue" that held together a plot to blow up the UN and kill Secretary-General Butros Butros Ghali and President Hosni Mubarak of Egypt, wire services reported from New York. The

The plot was alleged on Thurs-day after the Federal Bureau of Investigation raided a bomb-mak-

# Party Rebels Kept Secret Until Last Minute Until last year, Mr. Takemura and several other defectors said in recent conversations, they thought

By David E. Sanger New York Times Service

Plotting for a Modern Japan

TOKYO - In the samurai dramas that attract millions of Japanese television viewers, those warriors from the feudal past always meet at some out-of-theway inn, plotting the overthrow of their masters.

In a modern reprise, Masayoshi Takemura and nine colleagues in parliament slipped into a hotel near the Imperial Palace the other night, took 2 room with 2 well-stocked minibar, and decided that the moment had arrived to ambush the old men who had ruled for

We were afraid to discuss it with anyone, even our wives," Mr. Takemura said. "Up to the last minute, I thought many in our group would back out."

After all, he noted, after four decades of unchallenged power, the party elders "know how to apply pressure." Until a few days ago, Mr. Takemura was a loval member of the governing Liberal Democratic Party and led its reform committee.

For Mr. Takemura and a number of the younger rebels who sealed the late of Prime Minister Kiichi Miyazawa's party that night — deciding to abandon it during a crucial no-confidence vote and let the government fall — this has been a wrenching week.

Immediately after the vote they all resigned from

the party, turning their backs on the mentors who had nurtured their careers and financed their campaigns. And thus began a mass exodus from the Liberal Democratic Party that has cast Tokyo into the biggest frenzy of political realignment in decades and brought to an end a political order that had seemed invincible

We feel kind of released, but also kind of guilty," said Asahiko Mihara, 46, who took part in the coup and is now a member of a small new party, Harbinger.

A larger splinter group of 44 Liberal Democrats formed another new party, Renaissance. Both are likely to be involved in any coalition government.

"It is a very Japanese kind of guilt," Mr. Mihara said. "On the one hand, we have to show our fealty to our seniors. On the other hand, I felt I had to pull the trigger. There needed to be reform - not revolution, but a steady move forward. And they would have none steady progress was being made.

Many had come to know one another in a "study group." It came up with a list of reforms, from restrictions on campaign financing to the establishment of smaller constituencies, with one or two parliamentary representatives per district, rather than half a

But last week, the members of the study group concluded that they had been betrayed.

Mr. Mryazawa, who had vowed that he would get a reform bill through parliament, suddenly began to

Seiroku Kajiyama, the secretary-general of the governing party and an avowed enemy of reforms, told business leaders he would put the issue off "until we win a victory in the upper house election two years from now." He was betting that no one in the party would dare challenge him.

Mr. Takemura, 57, with a warm smile and a reputa-tion as a man committed to bringing Japan's endless influence-peddling to an end, said he became "really desperate" when he discovered that the party leaders were on the other side.

"Here were our own leaders, and they were pushing the brake pedal and turning the steering wheel in the

opposite direction," he said. That was when he summoned members of his study group to the Grand Palace Hotel, chosen because it is

not usually frequented by party leaders. "We did not consult with anyone," Mr. Takemura said.

That evening they each signed a pledge to resign from the party. But for two days they kept it secret, until just minutes before the June 18 vote. Mr. Kajiyama was horror-stricken. "None of them

had any idea what was coming," said Mr. Mihara. Now the rebels find themselves cast into a rainyseason campaign without an umbrella. In preparation for the election July 18 they are racing back to their districts — but this time without the funds and the machine that make blanket coverage of Japan's cities possible. "We have not a penny whatsoever," Mr. Takemura said.

#### SUDAN: Role in N.Y. Conspiracy? Continued from Page 1

translator.

the overthrow of the Egyptian gov-

Rachid Ghanouchi, the leader of the Tunisian fundamentalist movement called Nahda, and who is under a death sentence at home, also Rahman's connection to the eight travels on a Sudanese passport. men, whose alleged ringleader, the Sudan-born Siddig Ibrahim Siddig

Many top leaders of Algeria's banned Islamic Salvation Front also carry Sudanese travel papers. Many observers believe that the real power behind the Sudanese regime is Sheikh Turabi, long a member of the Muslim Brotherhood political group. Over the past decades it has established cells in virtually

A well-educated, fanatical fundamentalist, Sheikh Turabi allegedly has instituted a reign of terror

been purged over the past two years by the Islamic government, and to further harden its grip on the country, Sheikh Turabi's Islamic front Popular Army, modeled after the Iranian Revolutionary Guards.

The United States has orchestrated an unofficial embargo of Sudan and has spoken of instituting "safe havens" there for the non-Muslim southern Sudanese who re-

ject Islamic rule.

has been forced to end all subsidies Sudan's relationships with its

Sudan's help to the Nahda funda-

Arab Gulf regimes.

■ Egypt Cleric Questioned

sheikh denied it.

ing factory and arrested eight Muslim fundamentalists. It said they were plotting a day of terror front of the building.

#### British Bottler against New York that included Loses Appeal blowing up two Hudson River commuter tunnels. UN headquar-On Champagne ters and the office building that Agence France-Presse Investigators said the inqui was now centering on Sheikh Abdel

LONDON — An appeals court Friday banned a British beverage maker from using the word "champagne" on its bottles, ruling that it posed a threat to the French label. The ruling reversed a lower

court verdict in February that the carbonated soft drink called, Elderflower Champagne, posed no threat to champagne.

The appellate court upheld a complaint by champagne

houses that use of the word to describe the British drink, with its champagne-style bottles and wired corks, was a potential threat to the reputation of the genuine product.
Guy Woodall, whose

Thorncroft Vineyard makes the drink, vowed to light on in tasy to say the champagne image will be damaged by Elder-

Nelson Mandela, president of

### WHITES: Building Stormed

Continued from Page 1 ca moves toward its first all-race

Ali, was the fundamentalist cleric's

One investigator said they

thought Sheikh Abdel Rahman "is

the glue that holds this entire oper-

ation together" and added "he di-

rects everything, as far as we can

that prosecutors had no firm evi-

dence to show Sheikh Abdel Rah-

man's direct involvement in the

plot or in the hombing of the World

Trade Center last February. That

crime led to the arrest of six Mus-

night, the sheikh said he had noth-

leged conspirators. He condemned "any act that will hurt the national

At a news conference Thursday

lim fundamentalists.

security of America.

But the investigator admitted

election with a year. "If they don't make a place for the Afrikaner then they are declaring war on the Afrikaner," said Eugene Terre Blanche, leader of the Afrikaner Resistance Movement, who led the assault on the building clad in a camouflage uniform and a gold-braided general's cap. "Let Yugoslavia be a lesson."

The demonstration had been organized by a broad coalition of Afrikaner groups, including the Conservative Party, which is a participant in the 26-member negotiating forum, and the Afrikaner People's Front, which says it is determined to stay with nonviolent means to achieve its objective of an Afrikaner state. Leaders of both those organizations condemned the takeover of the building, insisting they had no idea Mr. Terre B lanche's organization — the most militant of their alliance - was

planning such an action,

to property, the foul language said General Constand Viljoen, retired head of the South African Defense Force, who leads the Afrikaner People's Front. "We apolo-

We cannot condone the damage

The police response drew loud protest from black organizations, which contended that had the demonstrators been black, they would have been fired upon or otherwise dispersed before they made it to the

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the African National Congress, visited the site after order had been restored and called for the arrest of the protest leaders and the dismissal of the minister of law and order for dereliction of duty. He also called for a nationwide day of protest next Thursday, and invited moderate Afrikaners to join in to indicate their disapproval of the acts of the radical fringe.

The last time the police and the

Afrikaner Resistance Movement tangled was in 1991, when rightist commandos tried to stop Mr. de Klerk from making a speech in Mr. Terre Blanche's hometown of Ventersdorp. That confrontation did turn violent, and three rightists were killed. Many Afrikaners consider Mr. Terre'Blanche and his members an embarrassment, but they ruefully

acknowledged that the action Friday would probably only swell the ranks of his commando units, which already number more than 30,000. "I'm afraid the way this is going to be seen overseas is a bunch of

racist, neo-Nazi crazies are at it again," said the Conservative Party spokesman. Pieter Mulder. Mr. de Klerk said Friday that he

would decide by Saturday whether the crisis was serious enough to force him to postpone a trip next week to the United States, where he and Mr. Mandela are scheduled to receive a liberty award from President Bill Clinton on July 4.

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otherwise exemplary record.

He created this bank and he

Attali, it was eagerly offered.

"He has been a very controver-Atwood, ad ministrator for the U.S. Agency for International Development, said at a press conference in Moscow, ters reported. "I think people who head up banking organiza-tions of that type shouldn't be quite so controversial." But Roland Dumas, the former

French foreign minister, leaned to Mr. Attali's defense, telling Renters that the "Anglo-Saxon estabhishment" helped undercut him.

INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FEST-SAL, AM ISPELD 19, Hemburg-Ceddorf. Bible Saby at 11:30 & Worship at 12:30 each Sunday, Tel.: 040820616.

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PRAGUE International Baptist, Fellowship meets at the Czech Baptist Church Vinoinzatska # 68, Prague 3. At metro stop Jirihoz Podebrad Sunday a.m. 11:00 Pastor: Bob Ford (02) 311 0693.

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international Baptist Church, English, Ger-man, Pessian, Wosship 10:30 a.m., Selenstr. 21, Wuppertal - Eberlaid, All denominations welcome, Hans-Dieter Fraund, pastor.

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one staff member suggested a reagn, stressed that the overriding round of applause in honor of Mr. need now was for the bank to fulfill the role it had been created for.

A watershed was Mr. Attali's decision earlier this month to push for a major reorganization of the bank that would have merged its private sector arm with its government lending unit. Crucially, that plan called for a senior official from the World Bank, Ernest Stern, to be brought in as Mr. Attali's right hand man.

That apparently strong tipping of the balance away from what had hitherto made the EBRD unique The British Treasury, saying it and its president most proud, its

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ERICAN CHURCH IN PARIS. W

of Mr. Attah's resignation. When respected Mr. Attah's decision to private sector focus, infuriated a

Intended as a response to his critics, Mr. Attali's reorganization plan in the end only managed to swell their numbers and increase their forv. The board, meanwhile, was deeply divided. Those opposed to

the change blame everyone from the Group of Seven leading indus-"I think we ought to take our

Those divisions at the board were if anything sharper at the staff neighbors have deteriorated. Tunilevel, but the staff was in even sia cut off diplomatic ties to protest greater state of confusion as to who to blame for it all. "We'don't know mentalists. if we have been stabled in the back by Attali or the G-7 or whom," a

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Immigration officials said Friday that the Finance Ministry had asked them to impose the ndividuals.

month ban but did not name the **ESCORTS & GUIDES** 

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WARSAW

trial nations, to Mr. Attali to Mr. Stern at the World Bank, for pushing it with ill-considered haste. time and get it right this time," said one European director in favor of

studying alternative plans.

tion. One strong contender reportedly is Onno Ruding, the former Dutch imance minister who narrowly lost out to Mr. Attali as head of the EBRD, and to another Frenchman, Jean-Michel Camdessus, several years earlier, as head of

JAKARTA — Indonesia has barred more than 300 businessmen from traveling overseas because of their failure to pay off large loans

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One of Viollet-le-Duc's pastel drawings of the Alps (detail) in the Paris show.

# Viollet-le-Duc's Passion

By Laura Colby

ARIS -it's a very good thing that geometry was invented before the creation of the world, because without it, it would have been impossible for the world to be So believed Eugène Viollet-le-

Duc, the controversial 19th-century theorist and restorer of monuments, who was the most famous architect of his day. His vision of things, no matter how controversial, affects the way we perceive many of France's greatest monuments today, from the gothic cathedral of Noire Dame in Paris to the church of Sainte-Madeleine at Vezelay in Burgundy to the 15th-century wonder at Pierrefonds, outside Paris. All were restored by Viollet-

Now an exhibit at the Hôtel de Sully in Paris, through July 11, is shedding light on a little-known side of the famous architect - his love for mountaineering and considerable skill as a landscape painter, mapmaker and amateur geologist. The exhibit, of more than 170 paintings and sketches, also throws into high relief the principles some might say, the flaws — that guided the architect in his building

He was fascinated with true-tolife restorations and drawings, studying everything from a church to a mountain down to the smallest detail. Yet, critics charge, for all his concern with realistic interpretation, there is something vaguely haunting and empty about the architect's work. It is sometimes Disney-esque with a startling accuracy. but lacking a soul

His work on Notre Dame, 23

Many of the statues on the current son of the maps available at the church, for instance, are copies of time, and set about to describe the those found in the cathedrals in Chartres or Reims. So are the from an aerial view 10 miles above stained glass windows. The interior was completely redone, but in the later style that had been added centuries after the church was first built. Viollet-le-Duc said he was trying to be true to the building itself, without imposing his own views. But critics say he did just

that, creating his own vision of the

gothic cathedral par excellence,

rather than restoring what Notre

Dame was. From an early age, Viollet-le-Duc, a gifted sketcher as well as architect, was drawn to mountain landscapes and spent much of his time climbing. While some artists sought inspiration in nature, or evidence of a higher being who creat-ed such grandeur, Viollet-le-Duc wanted to understand literally how mountains were built: the inclination of their bases, their basic geometric forms, the type of rock of which they were made. His sketches strive for accuracy, proper perspective, sometimes superimposing geometric form on a seemingly

haphazard peak. Taken by themselves, his drawings are generally pleasant pastel-colored recreations of the French Alps and the Pyrénées. A few stand out from the standard landscape, evoking at once the beauty and menace one feels high in the mountains. The Junction above the Grands-Mulets," for instance, shows a solitary group of climbers, antlike, heading toward an icy peak while finger-shaped glaciers curl around them like a fist about to clench.

But Viollet-le-Duc was less inter-

ested in conveying the impressionistic essence of a place than he was with realism, exactitude and geomeyears in the making, resulted in a try. When the Savoie region was symbol of the ciry that is not much coded to France in 1860. Viollet-lelike the original built in 1163. Duc was frustrated by the impreci-

iust that. Real life, real buildings. MY LIFE AS A FAN and even nature don't follow a strict set of rules. Viollet-le-Duc's By Wilfrid Sheed. 221 pages. later Alpine paintings, such as the \$20. Simon & Schuster. wall mural found in his Lausanne home, La Vedette, show the prob-Reviewed by Christopher lem: There he created a perfectly Lehmann-Haupt beautiful landscape, very realistic But it was a purely theoretical one: This is how mountains in general SHOULD look, not how any in narticular do.

area surrounding Mont Blanc "as if

This was decades before the

Wright brothers' invention, so his aerial view was based purely on

mathematical calculations of how

the Alps should look from above,

not how they actually did. Viollet-le-

Duc was an accomplished climber,

and though he was well into his

fifties, he tried to get at least three

different perspectives of each peak, sometimes walking for 14 hours at a

time. After eight years of painstak-ing work, he published in 1876 a book entitled "Le Massif du Mont

Blanc" that is still used by geologists

Such encyclopedic work was a

trademark of Viollet-le-Duc, who

wrote several multi-tome references

that are still essential even in mod-

em-day schools of architecture, in-

chitecture from the 11th to the 16th

such order would lead to under-

standing. Viollet-le-Duc's theory evolved to the point where he

would calculate based on their cur-

rent shape what mountains looked

like thousands of years ago, in the

earth's early days, and what they

might look like centuries hence, as

erosion and other forces took their

But the result of these theories.

critics complain, is that they are

was a way of catalogu-

ing them in hopes that

and admired for its completeness

and accuracy.

called his restorations "defigurain later life the architect's drive to be alter the way things really were in favor of the way, to him, they should have been, adding a turret here and

# Italian Charm Lures Kremlin Treasures

By Ken Shulman

ORRE CANAVESE, Italy -What are the throne of Ivan the Terrible, the crown of Peter the Great, and the opulent, ambassadorial gifts received by Catherine the Great doing in this town of 500 inhabitants? This is the question that the directors of the many world-class museums who would have liked to have staged the stunning "The Treasures of the Kremlin" show are probably asking themselves.

The answer is Marco Datrino, a 52-year-old antique dealer in Torre Canavese, to whom the directors of the Kremlin museums have entrusted more than 100 choice objects from their country's artistic treasury, and who singlehandedly organized and financed the exhibit in this town, which is about a 30-minute drive from Turin and 90 minutes from Milan.

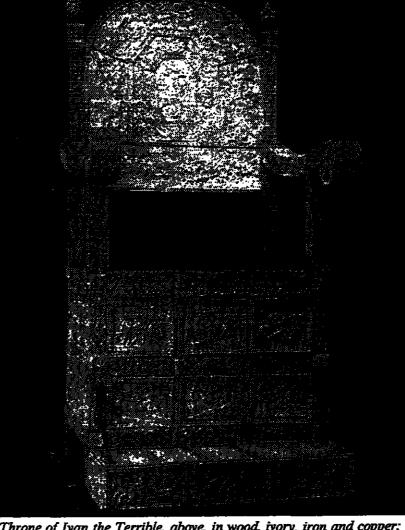
Datrino's rapport with the Russians dates back only to 1990, when the second-generation dealer traveled to Moscow hoping to scoop up icons, jewels, and Faberge eggs at bargain basement prices. Datrino learned that this hope was vain just 15 minutes into his visit at a meeting with Russian export officials and was tempted to board the next plane for Milan.

Instead, he stayed, and after two weeks in Russia returned to Italy with 100 paintings by state-sponsored 20th-century socialist re-alist artists, paintings that he neither desired nor truly understood. Still, to his surprise, these paintings sold out in less than 30 minutes at the show he held the following month.

N less than a year. Datrino became a point of reference for the blossoming Russian fine arts establishment, and nosted several other successful exhibits of 20th-century Russian realist art. This year, when the directors of the Kremlin His-torical and Cultural Museum were looking for a private Western entrepreneur to host a prototype" Russian cultural exhibit, they naturally opted for the familiar figure of

Housed in Datrino's renovated 11th-century Torre Canavese castle, "The Treasures of the Kremlin, " which closes July 4, is one cluding a dictionary of French arof Europe's most spectacular - and least publicized - exhibits. Featuring 108 objects from the Kremlin's Historical and Cultural Museum, most of which had never before left RAWING mountain Moscow, the show glitters and glows without landscapes, similarly, being gaudy. This is not high art, but exquisite craftsmanship and encapsulated culture presented in a palatable, appealing, and sparkling package.

Not bound by a museum director's sobriety, Datrino gave vent to his merchant's posed of a 16th-century wooden frame gird-instincts in shaping the venue for these Russian treasures. To create a suitable atmosphere, Datrino has had a replica of a 14th-century Russian fresco, suitably aged for the



Throne of Ivan the Terrible, above, in wood, ivory, iron and copper; 17th-century reliquary cover (detail) of St. Cyrill Beloserskij.

occasion, painted on the facade of the entry to the exhibit. Indoors, the walls are decorated with the reproduction of a 16th-century painting of the Kremlin.

The objects are housed in mirrored plexiglass cases that like a good jeweler's display accent their charms and hide their defects. It's hokey, but somehow in concert with the decidedly sumptuous spirit of the czars.

Divided into three sections, the show begins with "The State," centered around the throne of Czar Ivan IV (The Terrible.) Com-

nies. Leading up to the throne are the lavish-ly ornate gifts that ambassadors from the courts of London, Amsterdam, Paris, Hamburg and other European centers presented to the Russian rulers over the centuries.

Among these deliberately ostentatious gifts is "The Ship on Colossus," a 124-centimeter (48-inch) silver statue brought to Moscow by King Sigismund III of Vilnius in 1606 for the wedding of Czar Dimitri I (The False.) Depicting a three-masted vessel rest-ing on the head of a giant, the statue is delightfully finished and detailed, with the ship's crew, sails, and rigging all in view.
The show's second section, "The Power,"

is pitched around the crown of Peter The Great, a sable-lined headpiece on which the



greatest possible number of diamonds, rubies, and emeralds have been fitted in some semblance of order.

This section features the objects created between the 16th and 20th centuries by the Kremlin's goldsmiths and silversmiths, objects whose aim was to echo the sumptuous and ostentations atmosphere at the Russian court. Outstanding in this section is the clock.
"The Temple of Glory," an ornate and his zarrely-decorated timepiece designed in 12 by an Oxford mathematics professor to his Russian colleagues as Mikhai vic Meddox.

LSO notable is the country tomb of St. Cyrill Beloserskij, of Russia's most venerated religious figures. Fabricated in 1643 in the Kremlin's silver laboratory, the lifesized tomb is typical of 17th century Russian reliquaries, although the face appears to be a realistic portrait of the saint who was canonized in 1447. "The Aristocracy," the exhibit's final sec-

tion, features objets d'art that once belonged to Russia's nobility. The oldest, and perhaps the most fascinating, objects in this part of the show are the pre-Mongolian jewels that were discovered at the Kremin chring a 1988 excavation. These jewels — frontlets, pendants, and hat ornaments known as agraft, all done in silver — were probably buried by the inhabitants of Moscow just before the invasion. of The Golden Horde in 1238.

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L the secret to American culture lies in understanding baseball. The Likewise, critics of Viollet-le-Duc writer Wilfrid Sheed seems to have understood this instinctively when tions" and even "derestorations" as he first came to the United States, in the autumn of 1940, as a 9true to the laws of nature led him to old English refugee fleeing German

> sports memoir, "My Life as a Fan," when he thinks about those early

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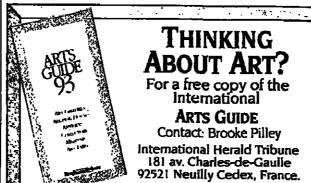
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ROOM 14 at 2:15 p.m. MODERN CONTEMPORARY PAINTINGS: ANGRAND, APPEL, ARMAN, ARNAL, BAJ, BOTTINI, CAMOIN, CHAPIRO, COIGNARD, CONDOY, COTTAVOZ, CSARY, DADO, DELAUNAY, DIAZ, DUCHAMP, DUFFY, ERRO, FASSIANOS, GAITIS, GILLET, HAMBOURG, HERBIN, HUFTIER, KADAR, KIJNO, LAMBERT-RUCKI, LAPICQUE, LEGER, LINDSTROM, LIPST, LITICHKE, LORJOU, LUCE, MARKITANT, MASSON, ORLOFF, PASCIN, PETITJEAN, PIAUBERT, PIGNON, POLIAKOFF, PORTOCARREO, PRAX, REBEYROLLE, ROTELLA, SAVIN, SCHNEIDER, TSINGOS, VOSS, WARHOL, de WARQQUIER, WEISBIJCH, YANKEL, ZACK, On view at the Auchoneer's office: Tuesday, June 29 - Friday, July 2 from 10 a.m.-1 p.m. and 2-6 p.m. Saunday, July 3, 11 a.m-6 p.m. Monday, July 5, 10 a.m-1 p.m. and 2-6 p.m. Thursday, July 6, 11 a.m.- non view at Drouct Wednesday July 7, 11 a.m.-6 p.m. Thursday July 8, 11 a.m.-noon, Catalogue on request at the auctioneer's office: FF 50 (FF 60 postage included), LOUDMER, 7, rue Rossini, 75009 Paris. Tel.: (1) 44.79.50.50. - Fax: (1) 44.79.50.51.



#### BOOKS umph and torture - until Walter

days the names come swarming into his memory. He and his parents had moved to

small town near Philadelphia, and almost immediately professional football, then a struggling sport, caught his fancy. So why is "My Life as a Fan" mostly about

T has often been observed that

its teeth on. to root for. Though he attended their games, the Phillies and the Athletics of that era were too hopeless. In 1941, the Brooklyn Dodgers "hartequinade" proved irresistible, and their clinching of the pennant filled the author "with the kind of elation that one allegedly gets just before an epileptic fit." In 1942 and 1943 the Cardinals were his team, because they beat the Dodgers.

baseball? Because, as he writes,

"baseball may be unique among sports in the sheer amount of solid

matter it gives a child's mind to cut

cated against," took the Dodgers away to California after the 1957 So the material in this memoir is well-traveled territory. The Cardi-

nals' Gashouse Gang, the Dodgers' frustrations with the New York Yankees, Mickey Owens's passed third strike on Tommy Henrich, Cookie Lavagetto's breakup of National League baseball in the New York Mets: these subjects have been chopped to fine pieces

by the cleats of a hundred writers' treads upon. The St. Louis Gas-

O'Malley, whom this book is "dediand gives birth to a hundred songs. The boys fought and sang their way to exactly one world championship and a couple of great pennant races, before dying and spewing the team's remains over the rest of the

uprisings that lasts five minutes

Leo Durocher? "All he had was a good pair of hands and a great baseball brain - or maybe it was great hands and a good brain --Sheed even finds a satisfyingly

fresh way to exercise his everlasting hatred of the Dodgers for abandoning Brooklyn. It seems that in 1989 a friend of his in publishing had celebrate the history of the team house Gang? "The saga of the Gas- from year one, and had suggested And thus it went for the next 15 house Gang reminds one, in sober Sheed as a possible author. He had

would be writing about the team ized that you were supposed to pay authors for their work and were having a bit of trouble with the

he had persuaded himself that he

Floyd Bevins's no-hitter, Leo Durand an ability to stir things up that ocher, Ted Williams, Joe DiMagoro for. Though he attended gio, the Dodgers' flight from any one period: Al Sharpton, Musheir games, the Phillies and the Brooklyn and the reincarnation of solim, Abbie Hoffman, just a few."

The advance we were suggesting and an ability to stir things up that wouldn't have kept a utility infielder in meal money, it must have been the principle of the have been the principle of the thing, because as it transpired.

Christopher Lehmann-Haupt is years - ecstasy and collapse, tri- retrospect, of one of those Irish not been shot down. But just when on the staff of The New York Times.

#### LOVE - AMERICAN STYLE? By Alex K. Justin

ACROSS 1 Ensnare 6 Diners' protector

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10 Feast of Lots 15 Start of corner

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28 Jannings or Ludwig 29 Memorabilia

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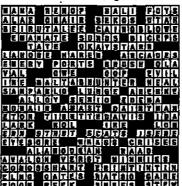
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43 Caloric measure 46 Edible mollusk 48 Main line 49 Co-star of 50 Wade's

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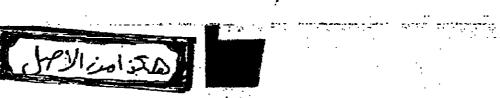
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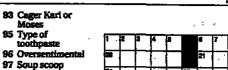
124 Ending for hand 125 Sitter's creation



out that the Dodgers hadn't realthey understood, had to be paid -

quite a lot, actually — but writers? What could they do for you? Sincethey didn't want to pay any advance at all. They planned, in that championship year, to celebrate 100 great years of Dodger history Yet Sheed manages to lend new been negotiating with that organi- by signing up the first writer who zation over a centennial book to agreed to write about it for noth-





96 Oversentiments 97 Ѕощр всоор 101 — out (just get 162 Part of B.A. 103 Actress McClurg

107 "Yes---Sammy Davis's autobiography 108 Weary looking 110 Part 2: Where they got engaged

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# Hard Times? Buyers Take Little Notice

Some Minor-League Paintings Are Bringing Impressive Prices

ARIS - The economic environment is not the greatest, but those who buy art might be living on another planet. The week's sales of Impressionist and Modern art in Paris and London fared well, incredibly well.

Despite the more modest scale of the transtions, the big surprise was Paris, where Guy outmer conducted an auction on Monday. The Dronot event, amounced under the ban-ner "Importants tableaux et sculptures mo-dernes," would hardly be called "important"

#### SOUREN MELIKIAN

in the Anglo-Saxon world. The total sold during a long drawn-out affair in which every other bid had to be expoled out of the participants was a puny 17.9 million francs, less than \$3.5 million with premium. But precisely be-cause the works offered were at best in the second-division league and, for the most, ut-terly trifling, the sale could have been a disas-ter as some professionals clearly feared. As it processual could not have gone much

This was made clear from the beginning when such mildly pleasing banalities as a still life by Raoul Dufy, done rather late in his life in the style of his younger days, graciously made it to 142,344 francs. By the time the next Dufy effort, a women in the nude that looks like an oversized cartoon for a sex magazine. had been sold for 76,647 francs and a marky Derain still life of the early 1940s that might have been avant-garde in 1890 fetched 58,033 francs, Loudmer looked happier.

Soon, the stakes were raised. One of Fer-

nand Leger's less distinguished achieva "Le tire-bouchon sur fond blen" of 1932, found a sympathetic soul at 437,980 francs. Blue was a lucky color. Max Ernst's "Remous," a banal seascape in blues with barely a Surrealist whiff confined to a faint blackish spiral in the water, rose to 815,737 francs.

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HEN came one of the few works that could have found its way to a Christie's or Sotheby's evening ses-sion. This was an abstract composition by Kandinsky. Coldly formal, it sold as well as it might have done in London or New York. A French buyer paid 3,186,305 francs for the picture. It all peaked when Signac's bland pointillist view of "Les Andelys," dated 1886, shot up to 12,143,945

More than anything else, perhaps, a handful of bronzes carrying the name of Degas and the mark of the Hebrard Foundry pointed up a real eagerness to buy. To those not involved in collecting and in dealing in the so called Degas bronzes, the issue these raised may seem hilarious.

tic" in the trade were cast after the artist's death, following a contract between his heirs and the Hebrard. Twenty sets of 73 different subjects were marked with letters A to T. Another set cast for the foundry owner, Adrien Hebrard, was marked HER and a 22d set, for the heirs, was marked HER-D. It now turns out, as revealed by the Loudiner sale catalogue, that the brouze maker Albino Palazzolo, employed by the foundry, who was involved in the casting, produced a few more These he made with his initials "A. P." Found

by Albano's son, Yvon Palazzolo, after the bronze maker died in 1989, they were consigned for sale to Loudmer.

All purists reject them, from auction house experts such as Michel Strauss of Sotheby's, ho said in a telephone interview that he has "strong reservations about them," to experienced dealers such as Huguerte and Anisa-belle Berès of Paris. As a result, many felt uncertain about the fate of the "illegitimate" Degas-Hébrard-Palazzolo bronzes as opposed to the rightful, sanctified-contract (but equally

osthumous) specimens cast by the same man. Financially, the matter is now settled. Preparation a la danse" went up to 1.281,092 francs. "Grande Arabesque, troisième temp" danced its way to a surprising 1,970,910 franc bid. The two winning bids, made over the phone, remain anonymous, making it impossible to hear the views of the buyer or buyers on the muances of legitimacy

concerning an artist's posthumous ocuvre. The successful outcome, unlikely only a few years ago, underscores the bearishness of the market. If 30 of the 86 lots offered by Londmer were bought in, it is mainly be-cause there is a limit to the tolerance that hunger for art will induce.

The London sales bear out the Paris vertict on a magnified scale. Precisely at the moment when Loudmer was conducting his sale. Christie's was holding its main evening sale of Impressionist and Modern art. Incomparably more important, with some real Impressionists — Renoir, Monet, Pissarro — and 20th-century masters — Matisse, Modigliani — it was nevertheless in the second-division league. Yet with 30 works selling for a total of £16.6 million (\$24.4 million), it did very well.

The star piece, the portrait of a young girl carrying a basket filled with flowers, painted by Renoir in 1888, can hardly be described as the master's greatest. The brushwork is a bit fuzzy. The face, with lips half open and a an doll's blue eyes that one expects to roll shut and open at any moment, is as soppy as Renoir ever made them. But the rarrity of feminine portraits by him other than the sau-sage-red Gabrielle and its fully documented history linking it with early U.S. collecting of Impressionism made all the difference.

Bought from Renoir for 500 gold francs by his dealer, Paul Durand-Ruel, in 1891, it was dispatched to the newly established New York branch of the Paris gallery and acquired a year later by W. L. Cook for \$1,000. It was bought back by the gallery in 1910 and resold in 1912 to Mrs. Nelson Robinson for \$14,500. It stayed in New York for most of the century. The price, £5,722,500, reflects this accrued pric value. While below the level it would probably have reached in 1989 at the height of the artificial market contrived by speculators, it hardly smarks of recessionary times. Nor does the £2.752 million that greeted Modigians portrait of a worms prid painted in 1016. m's portrait of a young girl painted in 1916. Matisse's portrait of a women posing in the mode in an interior, "Nu an Turban," should likewise make its vendor reasonably happy.

Even more revealing of the buying mood is the ease with which some very unimpressive pictures found a home. Dufy's portrait "La Martiniquaise," which is the closest the artist ever came to painting in a Matisse-like manner, was one of them. At £376,500 it cannot be called cheap. Interestingly, London dealers, who had been keeping very quiet, could be seen buying. Richard Green, bidding through



Daumier's painting of a washerwoman sold for a record £1.65 million.

his son Jonathan, paid a substantial £184,000 for Engène Boudin's harbor scene "Camaret, Le Port," better than most in this line.

F 18 of the 48 lots offered that night were left stranded, it is mostly because they had no redeeming feature. Not even the Renoir aura would help such a hopeless unfinished sketch as "Jeune Femme Lisant" to jump the hurdle of a £180,000 to £220,000 estimate.

At Sotheby's the story repeated itself on Tuesday in more glamorous fashion. The main difference lay in the exquisite time capsule that started it off. The Durand-Ruel even such modest pictures as Boudin's view of Villefranche attractive. This went up to £112,500. When it came to such enchanting pieces as Monet's black chalk drawing, "La Femme à l'Ombrelle," the provenance made them irresistible. Although done by the artist after his own famous painting to be used as an illustration in a magazine, its quick strokes are wonderfully poetic. Monet loved his painting, which depicts his stepdaughter, and it shows in the alacrity of the sketch. A Japanese bidder carried off the gem to the tune of £353,500.

Here too, prices were well below the level that would have been achieved three years ago. Dealers stepped in here and there. Dand Nehmad, never one to miss a bargain, bought the portrait of a young girl by Renoir for £705.000

The good mood generated by this auspicious start probably paved the way for the outcome of the main sale. Kandinsky's monumental abstract composition soared to £3,026,500 despite its late date, 1937, the highest price ever paid at auction for this phase of the artist's ocuvre, Strauss said in a telephone interview. Two anonymous U.S. collectors paid world

record prices, one for Daumier's oil painting of a washerwoman, sold for £1,651,500, the er for a Some which went up to £1,013,500. Dealers did not sit on their hands either. Ernst Beyeler of Basel bought the most important painting in the sale, Paul Klee's composition with asses. for £1,013,500

As at Christie's, many second-rate works found willing buyers, and several nonstarters crashed as they deserved to, leaving 25 unsold works out of a total 83. This may not be a madly optimistic market, but it is one full of activity and determined to get anything worth going after. No sector in the world economy comes anywhere near this dynamism.

# Shaking Up the Art Scene In 'Self-Centered' Berlin

By Ann Brocklehurst

ERLIN - Whether it is because he is new to the Berlin art world or in spite of it, the gallery owner Thomas Schulte is not shy about making his strong opinions known. He has no regrets about announcing in a podium discussion that "Berlin has more bad artists living well that any other city in the world," a quote that has since been much repeated. "No one said I was completely wrong," says Schulte, adding that several members of the art community outside Berlin sent him telegrams and letters of support.

essment, the visual arts in postwar In Schulte's assessment, the visual arts in postwar Berlin have existed in almost total isolation, cut off from international contacts and influences. Artists and art organizations supporting what he says can be called a Marxist approach to evaluating art have been heavily and unselectively

subsidized with government money. A critic says it has "It is a system that definitely existed outside of the commercia more bad artists world. . . . From my point of view, that was not in the end a big advantage for Berlin because it led living well than to extreme self-centeredness in the any city in the world. art world bere."

Flipping through a special Berlin issue of the German magazine Art. which features six Berliners deemed important to the local art scene, Schulte is critical. "Some of them stand for the biggest mistakes in institutional curating in Berlin," he said. "They receive millions of marks in public funds to arrange exhibitions, but they have practically no idea of the international art scene . . .

and the quality is below standards expected." In contrast, Schulte praises the curator Rene Block, who represented the Düsseldorf artist Joseph Beuys at "the best gallery in Berlin" before taking over as director of the DAAD Gallery, a position he left last year. The DAAD Gallery displays the work of foreign artists brought to live and work in Berlin as part of the DAADacademic exchange service. The Berlin artists program was set up after the building of the Berlin Wall in an attempt to counterbalance the city's physical and artistic isolation. Past participants include Alex Colville, Edward Kienholz and Nam June Paik

"The artists' program was a real link to the interna-tional art scene," said Schulte, who believes that unified Berlin has become a more attractive and interesting place to be for both artists and gallery owners. Although Cologne remains without question the art center of Germany, two of its major gallery owners -Max Hetzler and Paul Maenz - are moving to Berlin.

They will be arriving almost three years after Schulte and his partner, Eric Franck of Gallerie Eric Franck in Geneva, opened Franck and Schulte in Berlin in 1991. Before that, Schulte, 37, had been in charge of the John Weber Gallery in New York and worked at the Museum of Modern Art as assistant curator. A German, born in Düsseldorf and educated

there and in Berlin, he was fed up with working and living in New York and wanted to return to Europe.

After much deliberation, Schulte chose to set up in Berlin not only because he sees it as "the only cosmopolitan city in Germany," but also because it gave him the chance to represent arrists who would not have been available in cities with a more diverse gallery scene. Franck and Schulte's artists include Rebecca Horn. Sol LeWitt, Richard Artschwager, Robert Mapplethorpe and Henri Cartier-Bresson. Since Berlin has not yet developed a serious art market. Franck and Schulte is relying extensively on its already existing international chentele as it tries to build local sales. Once the gallery is established, it will concentrate more on promising Ber-lin artists. Schulte names Maria Eichhorn, the East German Via Lewandowski and the Israeli Eran Schaerf as a few who are garnering attention.

As another project, Schulte has proposed that Berlin build a gallery house along the lines of the 420 West Broadway Building in New York, which houses different galleries on every floor and which was emulated by Hetzler and others in Cologne. ldeally, the house would be situated in eastern Berlin or close to where the Wall used to stand. Galleries in Berlin are scattered throughout town and such a location would provide

easy access to the National Gallery, Museum Island and the Martin Gropius exhibition hall. Schulte says that with limited financial support from the Berlin Senate, a gallery house could become a reality in three years. But having been such an outspoken critic of Berlin's subsidies, Berliners' dependence on them and the city's nonmarket-oriented art poli-cies, Schulte is careful to point out that the kind of financial help he is advocating is a different type.

Instead of giving so much grant money to artists and entrenched institutions, he favors programs such as lending money to people buying works of art. He would also like to see money given to qualifying galleries to help them hold important individual exhibitions. Berlin is still trying to figure out just how much the

unified city can afford to spend on culture, including the visual arts. Many cultural institutions still exist in duplicate in east and west.

Along with several others, Schulte is calling for an in-depth study to examine the roles of Berlin's museums, art academies, art schools, art unions and private galleries, and suggest how they can best serve their own and each other's needs.

"I think there's a lot of money being spent here unwisely at the moment," he said. "Whatever's being spent should be spent, but we should really look at these institutions and where the money goes and what we are spending it for."

Ann Brocklehurst is a journalist based in Berlin.

#### FOR SALE/SOLD

Hidden treasure: A 15th-century Book of Psalms, found at the bottom of a box of books that cost £20, was sold for £10,350 (about \$15,500) this week at Sothene (4.9 inches by 3.5 inches, or 12.5 centimeters by 9 centimeters, of 300 vellum pages is believed to have been made about 1450. It is handwritten in Latin and decorated with intricate work believed to be by one of the great illuminators of Ghent.

Heady: Designer hats worn by Betty Maxwell, the widow of the late publishing tycoon Robert Marwell, to meet Ouem Elizabeth or attend the Royal Ascot races are

was sold for \$50,600 at a Sotheby's auction of entertainment and Hollywood memorabilia. The Hard \$4,600 and the other for \$2,070.

to be auctioned July 13 in London by Christie's. Rock Cafe bought one of Elvis Presley's jumpsuits for \$17,250 and a pair of Jimi Hendrix's pants for Blasts from the past: One of Diz-\$16,100. A double bass played by zy Gillespie's trademark bent trum- Bill Haley went for \$4,600, and two pieces of lingerie worn by Madon-na in concert also were sold, one for



# Israel Inherits Sam Spiegel Art Collection

By Clyde Haberman

New York Times Service

ERUSALEM — In the early

1920s, barely past his teen-age years and far from being able to dream that he would become an Academy Award-winning producer, Sam Spiegel dug ditches and sewers as a "young pio-neer" in Palestine. He didn't make it.

Life as a "drainage expert," as he er described those years, was not or him, and before long he left. entually, he found his way to Hollywood, a short, domineering man who made his share of enemies over the years but also filled more than his quota of film masterpieces, including "The African Queen,"
"On the Waterfront," "The Bridge on the River Kwai" and "Lawrence

Now nearly eight years after his death at 84, an important part of Spiegel has returned here for good: his collection of late 19th- and early 20th-century paintings, litho-graphs, sketches and sculptures has been given by his estate to the Israel Museum in Jerusalem.

"He just adored the country," said his son, Adam, who was born 25 years ago, when Spiegel was 67.

"I don't think he wanted the paint-ings to go anywhere else." in Los Angeles raising money for lek, no slouch himself when it the nascent museum. He was di-comes to domineering ways. "He ings to go anywhere else."

The 81 pieces in the collection are heavy with French artists and include early works of Degas, Cozanne. Picasso, Gauguin and Bonnard. There are more than a few female nudes among them, reflecting what might tamely be called Spiegel's passion for women.

"It's totally the collection of an eccentric," said the museum director, Martin Weyl. But for the relatively young Israel Museum, still inventing itself, it is among the more important gifts it has received in its 28 years. With no real endowment, the museum is often forced to rattle a tin cup, and so the Spie gel collection is a windfall that "fills in many significant gaps," said the museum's curator of modern art, Stephanie Rachum.

The Anstrian-born Spiegel was of the cigar-chomping school of movie producers, and it showed on the paintings, most of which had to be cleaned of smoke and grime be fore they went on display this week. At the opening on Tuesday night, Mayor Teddy Kollek of Jerusalem, who is the museum's chairman and its chief cup rattler, spoke of his long friendship with

Spiegel.

Kollek said that in 1964 he was

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rected to the house of S. P. Eagle, as it still said on the door, even though the producer had long resumed his rightful name after using the "Americanized" version for

tion, but I got nowhere," said Kol-

comes to domineering ways. "He never made a promise and I was eating myself up."
"And then he died," the mayor said in a tone that suggested there

were more surprises under the sun than one could ever imagine. "And "We had a pleasant conversanow what? Now we have the whole

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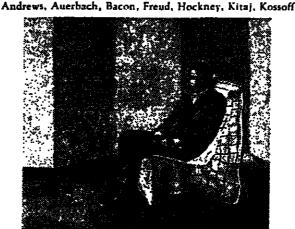
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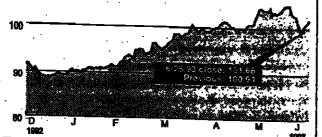
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## **An Anchor Begins to Drag** As the Tide Tests the Mark

By Brandon Mitchener

Thursational February Tribine

RANKFURT — Is the Deutsche mark in dan its role as Europe's anchor currency? It all depends on what you consider an anchor. In the sense that the Bundesbank, through the European exchange-rate mechanism, has been able to dictate monetary policy to its neighbors, the German anchor has indeed begun to drag.

For example, this week the German currency began trading at a 20-month low against the U.S. dollar, and France, whose inflation rate is half that of Germany, led a round of European interest-rate

cuts that conspicuously did not include the Bondesbank. Following the cuts, at the European But the German Community's summit meeting in Copenhagen, its president, Jacques Delors, said the French franc, the Belgian franc and the Dutch guilder were supplanting

**Cross Rates** 

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Sources: ING Bank (Amelerdom); Indosus Bank (Br. (Allian); Apence France Press (Paris); Bank of Tok

economy is still in charge in Europe.

the mark as an anchor, at least in the short term.

Later in the week, the French finance minister proposed coordinating interest-rate cuts with the fiercely independent German central bank and offered to help prop up the mark if it got into trouble, as the Germans had helped the French franc during recent

The Bundesbank traditionally has referred to its role as being the "stability anchor" in a Europe that leaned all too often toward competitive devaluations and other sleight-of-hand to solve its economic problems. Some nations even welcomed this discipline, and it is largely to the Bundesbank's credit that inflation in Britain, France and Italy has come down.

As the cost of German unification and several years of high wage demands translated into inflation in excess of 4 percent, however, Germany lost Europe's monetary high ground. In fact, many European countries now boast inflation rates well below Germa-'s, which gives them room to undercut nominal German interest rates while still offering investors a higher real rate of return. Lower rates, in turn, let them grease their economies' squeaking gears.

Still, few analysts think the loss of absolute, dictatorial authority

in interest rates will translate automatically into a massive investor exodus from mark assets into those of other European currencies. The reason is that, in a deeper sense, Germany is still Europe's

• Germany's gross domestic product, though slipping, is still the biggest in Europe, accounting for one-quarter of the Community total.

 Germany is the European Community's biggest market and See MARK, Page 11

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# **Ministers** Endorse **EC Plans on Emissions**

LUXEMBOURG - Two new European Community programs to cut carbon dioxide pollution were endorsed by energy ministers Friday as part of efforts to cut emissions to 1990 levels by the end of

The first program would promote renewable energy by tripling production of electricity from such sources as the sun, wind power and biofuels from plants.

EC officials said the five-year plan involved boosning the share of such energy from 4 percent of total demand in 1991 to 8 percent in 2005, thereby cutting carbon dioxide emissions by 180 million tons. The second program would improve energy efficiency through better insulation of buildings, regular inspections of boilers and vehi cles and energy audits of industries using a lot of power.

It also provides for more efficient billing methods for heating and air conditioning to make energy consumers pay the true costs.

The Community's principal weapon against pollution — a combined tax on nonrenewable energy and the carbon content of fuels is being held up by the opposition of Britain and several other states.

The EC share of global carbon dioxide pollution, which is believed to be responsible for the greenhouse effect of global warning, is around 13 percent, twice the international average on a per-person basis. Energy Minister Gérard Longnet

of France said the meeting also made some progress on the proposal to give big industrial consumers access to national distribution networks for electricity and gas.

# The Yen Bounces Back Problem of Japan's Surplus Reasserts Itself

Compiled by Our Staff From Disputches NEW YORK - The yen rebounded strongly against the dollar on Friday as traders focused on reports that they took as confirmation of official U.S. desires for a higher yen.

The dollar fell to 106,285 yen at the New York close, from 108.75 on Thursday. Traders cited an article in The New York Times on Friday that said the administration of President Bill Clinton wanted a strong yen as part of its aim of cutting the U.S. trade deficit with Japan.

Currency traders also said they had been re-minded about the fundamental reason for buying the yen, the huge Japanese surplus, when C. Fred Bergsten, an influential Washington economist. said the tough new U.S. trade policy toward Japan implied an exchange rate range of 90 to 110 year. Between 100 and 110 year was an "appropriate level," he said.

The dollar, which weakened to a record low ainst the yen of 104.85 on June 15, had regained a lot of lost ground last Friday after the vote of noconfidence against Prime Minister Kiichi Miyazawa phinged Japan into political uncertainty. But the market had since appeared to come to

terms with the political changes, and now, "We're really back to square one with the strong yen " said Smart Thomson, an economist at Nik-

Friday's yen rise was "clearly a correction to the

short-covering rally by foreigners last Friday, triggered by the political upsets," he said.
The dollar also lost ground, but only marginally, against the Deutsche mark, slipping to 1,7069 DM by the New York close from 1,7073 DM at Thurs-

Even though traders believe a further easing of credit by the Bundesbank is inevitable, speculation of a cut as earny as next Thursday's central council meeting has faded a bit, putting a cap for now on the

do ar's rise against the mark.

Traders said yen buying for marks was again an attractive play on Friday. There were a lot of options triggered on markyen overnight and the feeling is you've just got to be long of yen against the mark, said Nick Downes, a trader at Caisse Nationale de Crédit Agricole.

The mark set a record low at 62.20 yen late in The dollar also fell to 5.7450 French francs in New York from 5.7450 francs and to 1.5153 Swiss francs from 1.5168. The pound rose to \$1.4757

Siever, Greenhouse of The New York Times re-ported earlier from Washington: When the sen soared against the dollar in the

mid-1985s, it put only a minor dent in Japan's huge trade surplus with the United States. But the U.S. administration — and many econo

See YEN, Page 10

# **Waigel Is Adamant on Rates**

French-German economic and finance talks, abruptby postponing the meeting without setting a new date, called off by Bonn on Thursday after Paris put on
Mr. Waige: made clear that Bonn was in charge of ly called off by Bonn on Thursday after Paris put on

"No, that certainly won't happen," Mr. Waigel said.
"We will talk about the economy and financial poli-We will talk about the economy and financial policies, about the situation in Germany and France, cal that the German government's planned budget about growth initiatives in our own countries and in the European Community."

1994 and 25 billion DM in The French economy minister, Edmond Alphanimpact on the federal deficit.

Bear dashed the French hopes only a few hours later

# dery, said in a radio interview on Thursday that the

BONN — Finance Minister Theo Waigel of Germa- French-German meeting, which was then scheduled my on Fallay rejected any concerted interest-rate cuts for Friday, would "look at the conditions necessary with Paris and said only tough fiscal policy could pave for laurening a concerted cut in interest rates."

the way for the independent Bundesbank to lower rates.

Bean dashed the French hopes only a few hour

pressure to discuss joint interest-rate cuts, would be its own financial policies and no outside pressure rescheduled soon, he said on German radio. But he could move the Bundesbank before it was ready. "In insisted there would be no talk of cutting rates together.

Bonn, we are doing everything that is necessary to give "No, that certainly won't happen," Mr. Waigel said.

cuts of 20 billion Deutsche marks (\$11.8 billion) in 1994 and 25 billion DM in 1995 would have a big

# U.S.-Canada Tiffs Cast a Shadow on Trade Talks

By Peter Behr and Anne Swardson

Washington Post Service
WASHINGTON — With its right hand, the U.S. administration is trying to tie the knot on an imprecedented free-trade agreement with Canada and Mexico that would sweep away most barriers to trade within North America. With its left, it has jabbed Canada in the nose this week over trade disputes involving steel

over beer and sugar.
U.S. officials said it was mostly an unfortunate coincidence prompted by a need for the sticking up for U.S. rights. Canadians, who have a streak of paranoia in trading relations with the United States, were repeating the old saw about even paranoids having enemies.

And even if negotiators were hopeful that the disputes would not spill over to jeopardize talks on the North American Free Trade Agreement, the flare-up is not beloing — not with the two countries still far apart on enforcing protection of the environment and securing worker rights under the free-trade agreement.
"It really is getting close to a feeling of being

harassed by a big and powerful country that shares the continent with us, of going back to might is right," said Tim Reid, president of the Canadian Chamber of Commerce.

The latest slap landed this week, when the Agriculture Department said it would increase osidy payments to U.S. wheat farmers to help them sell more to Mexico in retaliation against "excessive" Canadian subsidies to its wheat farmers, whose shipments to the United States have increased sharply.

On Tuesday, the Commerce Department issued final calculations of penalty duties against steel producers in Canada, among other countries, for allegedly "dumping" in the United States at unfairly low prices. If the penalties are imposed, some Canadian firms could not afford to ship steel across the Great Lakes to the United States, some analysts say.

Meanwhile, the two countries appear headed for conflict soon over Canadian taxes and marketing rules that the administration contends discriminate against U.S. beer exports.

On still another front, Agriculture Secretary Mike Espy has recommended that the administration impose emergency limits on increased

don't think it's a deliberate singling-out of Canada, but the new administration appears to be more aggressive, and listening to all the special interests pursuing their own

imports of refined sugar and sugar-containing

products. Canada would be the principal casu-

alty, according to Canadian officials.

"The list is growing longer by the day," said
Frederick Telmer, chairman and chief executive of Stelco Inc., a Hamilton, Ontario, steel-

maker cited in the anti-dumping action. "I

To Canadians, the wheat case is particularly offensive. "Obviously, it's political, it's votes," said Hubert Esquirol, president of the Western Canadian Wheat Growers Association.
The U.S. trade representative, Mickey Kan-

tor, has been hammered on virtually every trip to Capito! Hill by senators from wheat-growing

states enraged about rising Canadian ship-ments to the United States. "Senator, durum wheat is always on my mind,"

Mr. Kantor told Senator Byron L. Dorgan, Dem-ocrat of North Dakota, during a hearing, Senator Dorgan saw President Bill Clinton a week ago with a last pitch for increased subsidies, his staff said. His efforts were rewarded.

# Mediobanca: The Reclusive Italian Giant

MILAN — On a narrow street beside Milan's La Scala opera

house stands an elegant peach-col-ored palazzo. It looks like countless other 17th century town houses linng the streets and it bears no identifying plaque.

Some of the more important dra-mas in the Italian business world have taken place within those walls on the Via Filodrammatici. In good times and bad, the Agnellis, the Pirellis, the Ferruzzis and even the Aga Khan have traveled to the adquarters of Mediobanca SpA, Italy's leading merchant bank.

Mediobanca has a virtual monopoly on major acquisitions and restructurings in Italy's private sec-tor. "They have shaped Italian cap-italism for 40 years," said Enrico Ponzone, an analyst at Kleinwort Benson in London. Despite its importance, Medio-

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MARKET TO VENEZUE AND THE PARTY.

banca remains a mystery. Its hon-orary chairman, Enrico Coccia, 85, banca and Mr. Cuccia. gives information to analysts.

Mr. Cuccia's team has been busy recently. When the Ferruzzi family realized earlier this month that they could not handle the \$20.5 billion in debt on their chemicals, food and energy empire, they turned to Mediobanca to organize a rescue.
[Union Bank of Switzerland and Société Générale will join the group of five Italian banks led by Mediobanca that are carrying out the restructuring of Ferruzzi Fin-anziaria SpA, AFP-Extel News re-

When a debt-reduction plan for the Aga Khan's strapped hotel group Ciga SpA fell through in March, Mediobanca was called Many of the acquisitions in the 1980s that swelled Fiat and Pirelli

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who helped found the bank in 1946, never gives interviews. Mediobanca, which is listed, never such as Sopal SpA, IMI and Akros content themselves with smaller deals.

> Mediobanca does far more than investment-bank advisory, which provides 15 percent of revenue. Its major activity is to make mediumterm loans to Italian industrial companies. Mediobanca has about 14 trillion lire (\$9.5 billion) in medium-term loans outstanding, and derives about 60 percent of its revenue from interest. Even if best known as an invest-

ment bank that derives most of its income from lending, investors know Mediobanca best for having an extensive portfolio of equity holdings. For an investor, "Mediobanca is an index play," said an analyst.

Mediobanca has an equity portfolio with a current market capitalization of about 4.3 trillion lire. It includes stakes in Generali SoA. Fiat SpA, Pirelli SpA and the Ferruzzi Group. In return, many companies such as Pirelli, Fiat, Olivetti & Co. and Marzotto SpA hold 25 percent of Mediobanca.

salotto buono, the good drawing from securities trading.

formation, however, belonging to the salotto buono is less sought after. Many of its members have been implicated in corruption.

The sight of Mr. Cuccia buying his newspapers at 7 A.M. in front of La Scala and then shuffling down the street to his office will not be around forever. The Bank of Italy governor, An-

tonio Fazio, wants to allow commercial banks to invest in industrial groupings, to create universal banks on the German or French model that can do a range of bank-ing services that in Italy to date have been the reserve of Medio-

ironically, another 25 percent of Mediobanca is owned by three of Italy's largest banks, Credito Italiano SpA, Banca Commerciale SpA and Banca di Roma SpA, which will soon be allowed to duplicate some of its activities. The remaining 50 percent of Mediobanca is on the stock market.

In the year ended June 30, 1992 Mediobanca had net profit of 262 billion lire. Of its 686 billion lire of net revenue, 58 percent came from net interest income, 15 percent Belonging to the syndicate is re-ferred to in Italy as belonging to the from dividends and 15 percent

#### JAPAN PACIFIC FUND

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Dividend Notice

At the Annual General Meeting held on June 16, 1993 the shareholders resolved to declare a dividend of US\$ 0.50 per share, payable from July 12, 1993 to shareholders on record on July 12, 1993 and to holders of bearer shares upon presentation of compon No. 23. The shares will be quoted ex-dividend as from July 12, 1993.

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# U.S. Said to Seek **GNP** and Trade Targets for G-7

Compiled by Our Staff From Disputches TOKYO - The United States will seek common economic targets for the Group of Seven nations, including a 3 percent economic growth rate and limited trade surpluses, according to reports Friday. Japan has objected to the pro-posals, the Jiji Press news agency reported, and the economic targets calendar year. Economists said Tokyo would be are expected to become the biggest stumbling blocks at the summit

meetings here starting July 7. In Washington, a senior admin-istration official took issue with reistration official took issue with reports that the United States had government," said Yoshibisa Kitai. scaled back its goals because Prime Minister Kiichi Miyazawa lost a no-confidence vote.

He said that the United States would continue to seek commit-ments to reduce Japan's trade surplus -- estimated to be running this year at a level equal to 3.5 percent of Japan's total economy — down to 1.5 percent to 2 percent over four years. Washington will seek a Japanese commitment to increase its purchases of U.S. and other foreign

manufactured goods by 33 percent.
"Issues of timing have been raised by the political circumstances in Tokyo," he said, "but our goals remain the same."

Japanese officials have denounced the use of numerical tar-

gets, calling them managed trade, and said they would never accept them. The U.S. official said: There is no way to measure progress without measurements." The proposals are unrealistic and moreover, targeted on Japan," one source told the news agency. Washington also proposed that Ja-

pan reduce income taxes. Jiji said. The U.S. Treasury undersecretary, Lawrence Summers, said in Tokyo that Japan could boost global exports by some \$60 billion and create up to 2 million jobs worldwide by curbing its current-account surplus. He said that while Japan's surplus had dropped from 4 percent of gross national product in 1987 to less than 1.5 percent in 1990, it was

expected to rebound to 4 percent.

What the world needs from Japan now is a sustained period of domestic-led growth, a period when the demand for goods in Ja-

pan exceeds the domestic supply so that Japan is a net provider of jobs rather than a net drain on jobs in the rest of the world," Mr. Summers told a business group here. The OECD has predicted GDP growth of 1.0 percent for Japan this

unable to make a move until after general elections on July 18. "Japanese officials, after listen-ing to U.S. demands, will tell the U.S. to continue talks and discuss

of Long-Term Credit Bank of Ja-(AFX, Reiders, AP)

## Wood Talks Falter on Forest Scope

The Associated Press GENEVA - An agreement to govern trade in tropical wood was put off until at least October when producers and consumers ended a week of talks Friday without resolving differences over conservation. At the 50-nation conference

aimed at renegotiating the 1985 International Tropical Timber Agreement, consumer countries balked at the demands of producers to include other forests — essentially those in North America and Europe — under the accord.

Led by Malaysia, the pro-ducers said their timber was at a market disadvantage because loggers in temperate countries were not bound to the same environmental stan-

Delegates agreed to reconvene Oct. 4-8 for the next round of formal talks. Annual trade in tropical timber is worth about \$7.5 billion.

Terrorism resurgent Politics in Japan Difficult trade negotiations China's overbeated economy Continued chaos in Bosnia

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# **Technology Stocks Are Session's Stars**

Compiled by Our Staff From Dispatches NEW YORK — Technology stocks moved into the limelight Friday, lifting the over-the-counter market on which many of them trade, as blue-chip stocks shuffled through a listless session despite a fall in bond yields to 16-year lows. The Dow Jones industrial aver-

MARKET DIARY

#### N.Y. Stocks

age, the barometer of 30 big-capi-

talization stocks, rose a meager

0.28 point to close at 3,490.61. Advancing stocks beat out declining ones by a 3-to-2 margin on the New York Stock Exchange, while volume on the Big Board was a light 205.8 million shares.

The Nasdaq combined composite index, covering the OTC mar-ket, surged 6.09, or 0.9 percent, to

Close at 694.81.

3Com, the most active OTC ta Mining & Manufacturing Co., stock, rallied 4% to 27 after the Kmart Corp., AMR Corp., HJ. manufacturer of computer- Heinz Co., and Hewlett-Packard networking products said fourthquarter net income rose to 40 cents a share from 19 cents in the prior year. The results alleviated some

Stanley Works, which had fallen 3½ Thursday, declined another 2½ investors' concern about the company's profit outlook.

Novell Inc., another computer earnings would be below last year's. networker, rose 11/2 to 2714 after the

company said it would buy back up to 11.1 million shares. Among other active OTC issues were Cisco Systems, up 24s to 534; Sybase Inc., ahead 44s to 73; Synopsys Inc., up 44s to 434, and SynOptics Communications, up 1 to 35.

On the American Stock Exchange, NTN Communications was the most active issue, off 4% to 6%. The president of the maker of interactive television systems said the company expects a second-quarter loss but a profit for the full year. On the broader market, stocks were underpinned by low interest rates as the yield on the 30-year Treasury bond hit 6.70 percent, the lowest close since the Treasury start-

ed regularly selling bonds in 1977. But any rally in stocks was constrained by overhanging concern about the strength of second-quar-ter earnings and the economy.

Co. released discouraging earnings estimates over the past weeks. to 39%. The tool company said Thursday that its second-quarter

## YEN: The Currency Bounces Back

mists - are confident that this time the yen's recent rise will prove far more successful in cutting Japan's bulging trade surplus, which now stands at \$50 billion annually.

To chop away at Japan's surplus, three-part approach that includes

#### Foreign Exchange

not only a strong yen but also wiping away trade barriers and pushing Japan to stimulate its economy

Administration officials say it is important for all three parts to tive now, giving U.S. consumers work together, although they acless incentive to buy Japanese. knowledged that Japan's political Probably the best evidence of this is the resurgence of U.S. automight make it harder to persuade makers, chip manufacturers, and Tokyo to take further steps to re-duce the surplus. Although the ad-whom have gobbled up some Japaministration denies that it has de-nese market share this year. iliberately sought to push up the Japanese contency, the yen, egged its economy snaps back, Japanese consumers from Treasury Consumers and companies will secretary Lloyd Bentsen and other have more money to spend, and officials, has soared 15.7 percent will buy more imported goods. against the dollar since January.

many economists point to several in Washington, argues that the reasons why the strong yen should stronger yen will cut Japan's sur-push America's trade deficit with plus in another way: Since a mighty Japan down more rapidly than in yen will slow Japan's economic

razor-thin profit margins, so when ment to do a large, new economic the yen rises, they feel immense stimulus package."

pressure to pass that on quickly by

companies, helped by thriving sales at home, were able to swallow much of the currency swing in or-der to hold on to market share. changes will be quicker than before

Another reason why a faster rection is expected this time is that U.S. companies are more competi-

And Japan is in a slump, so when

Mr. Bergsten, director of the In-Administration officials and stitute for International Economics

raising their prices.

(Reuters, Bloomberg, UPI)

By contrast, in 1985, Japanese The effects of the exchange-rate because Jananese companies are not in a position to absorb the exchange-rate change," said Barry P. Bosworth, a senior fellow at the Brookings Institution.

he past.

Japanese companies, plagued by stronger yen substantially increases recession at home, now often have pressure on the Japanese govern-

#### **EUROPEAN FUTURES** The Dow Industrials Daily chaings of the Dow Jores industrial average Food High Law Lest Scife QASOIL (IPE) U.S. dollers are Correct Set 197. De 24.00 27.00 27.600 Ccc 270.50 26.750 26.600 28.850 Ccc N.T. N.T. 27.850 26.750 26.850 Mary N.T. N.T. 27.850 26.750 26.850 Mary N.T. N.T. 27.850 27.950 27.450 N.T. N.T. 27.850 27.950 27.950 N.T. N.T. 27.850 27.950 Low Close Chige **NYSE** Indexes NASDAQ Indexes 65.7% 605.5% 664.01 + 4.09 722.02 713.43 770.58 + 7.95 823.78 820.5% 623.00 + 23.00 827.78 822.7% 623.00 - 0.59 704.24 694.58 701.57 + 23.00 607.25 777.77 662.01 + 1.00 607.20 675.07 662.01 + 1.00 **NYSE Most Actives** High Low Last Chy. 4ha 4ha 4ha 16 1755 2014 + 16 1755 2014 + 16 1755 2014 + 16 1642 1646 175 574 + 24 2014 2014 + 12 2014 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 12 2016 2014 + 16 2016 **AMEX Stock Index** High Lone Class 431.34 430.10 430.57 **Dow Jones Bond Averages** 107.49 104.69 110.30 +6.02 -0.06 +0.10 **AMEX Most Actives** Market Sales N.Y.S.E. Odd-Lot Trading NYSE Diary S&P 100 Index Options Prev 1139 771 640 2550 56 33 **Amex Diary** 2824 272 273 274 197 3 NASDAQ Diary 54

## U.S. to Ask G-7 Aid for Russia

MOSCOW — The U.S. foreign aid chief, J. Brian Atwood, pledged on Friday to pursue the goal of raising \$4 billion from the West to help Russia's move to sell off state-owned firms, but conceded that it may be

unrealistic for the time being.

He said the United States would put \$125 million on the table at a summit meeting of the Group of Seven from July 7-9 in Tokyo and would

The administration of President Bill Clinton proposed \$2 billion from the G-7, including \$500 million from the United States, and \$2 billion from banks and international financial institutions. Other G-7 countries did not express much enthusiasm.

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#### AT&T's Tobias Takes Over at Lilly

INDIANAPOLIS (Combined Dispatches) — Eli Lilly & Co. announced Friday that its board of directors had unanimously elected Randall L Tobias — who left his job as vice chairman of AT&T — to the

Randall L. Tobias — who left his job as vice changman of A161 — to the positions of chairman, president and chief executive.

Shares in Lilly shot up after the news of the management changes, closing at \$51.25, up \$1.875, on the New York Stock Exchange.

Mr. Tobias replaces Vaughn D. Bryson, who became president and chief executive 19 months ago. Et Lilly said Mr. Bryson's decision to retire had been prompted by differences with the board over "management philosophy." Mr. Tobias also perlaces Richard D. Wood as chairman. phy." Mr. Tobias also replaces Richard D. Wood as chairman.

pny." Mr. 100as also replaces Richard D. Wood as charman.

American Telephone & Telegraph said it had not decided on a replacement for Mr. Tobias. A spokesman said, "It's all happened too fast to make any kind of decisions yet." Mr. Tobias is known for leading AT&T's thrust into international markets. He was also charman and chief executive of AT&T International.

(Bloomberg, Reuters)

#### Merrill Warnings Hit Apple Shares

NEW YORK (Knight-Ridder) — Apple Computer Inc. shares ropped Friday in over-the-counter trading after Merrill Lynch slashed estimate for 1993 earnings from \$3.50 a share to \$2.50. The stock lost 50 to close at \$40.25.

Merrill warned that more restructuring charges were ahead at Apple cause of expected layoffs and other cost reductions. It also pointed to minued pressure on Apple's gross margins and to inventory write-was resulting from price reductions.

Apple earned \$4.33 a share in 1992. Merrill said it was suspending its ates for 1993, which stood at \$4.50.

#### orthern Telecom Sees Poor Period

TORONTO (Knight-Ridder) - Northern Telecom Ltd. said Friday at because of slow sales it expected to report a loss in the second streer. It also said that earnings for the year would be "significantly" low those of 1992.

The company said revenue in North America and Europe was "show-g slower growth than expected," while growth in the Asia-Pacific region d the Caribbean and Latin America was continuing. It also announced the appointment of Bradford Butler, a former airman of Procter & Gamble Co., as chairman. The board said it had epted the resignation of Paul Stern as chairman and director.

#### lershey Forecasts Weak 2d Quarter

HERSHEY, Pennsylvania (Bloomberg) — Hershey Foods Corp. said iday it expected second-quarter earnings to be in a range of 24 cents to cents a share, 5 cents to 10 cents a share lower than last year's earnings om operations.

The company earned \$34.5 million, or 39 cents a share in the second sarter of 1992, including a gain of 5 cents a share from the sale of a siness in Brazil. But Hershey said it expected strong third and fourth sarters and a record year despite the second-quarter prediction.

#### lome Sales Advanced 4.6% in May

WASHINGTON (AFP) — Sales of existing homes shot up 4.6 percent May, the second advance after a winter slump, the National Associa-

no of Realtors said Friday.

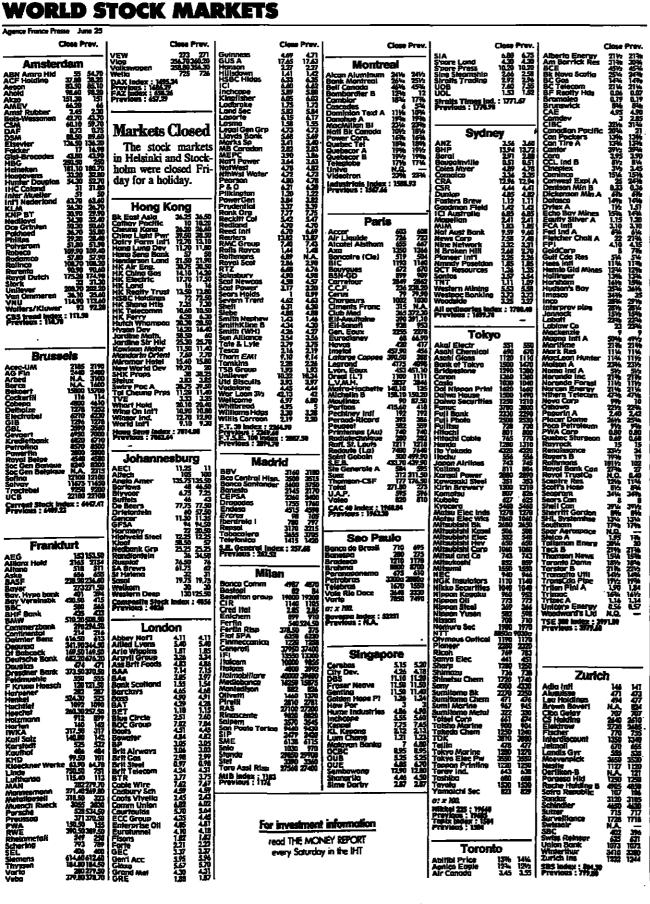
The May increase, to 3.61 million homes sold, after a 2.4 percent crease in April to 3.45 million homes, was the biggest increase since a milar gain in December before sales tumbled for three consecutive onths because of had weather.

#### or the Record

Gillette Co. said Friday that it would unveil the "next breakthrough in aving technology" next Wednesday. But the company said it was eping its plans secret until then.

ant Systems, a unit of International Business Machines Corp. d Friday it had unveiled a cut-sheet production printer that could oduce 92 pages per minute.

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**Paris** 

# £525 Million Payout In Rothmans Deal

Compiled by Our Staff From Dispatches LONDON - Shareholders in

Rothmans International PLC and Dunhill Holdings PLC will receive a total £525 million (\$771 million) in cash plus shares in two new companies as part of the separation of the Rothmans and Dunhill tobacco and luxury-goods interests, the companies said Friday.

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The payout will principally benefit Compagnie Financière Richemont AG, the Swiss-based, South African-controlled holding company that will continue to control the revamped organization. Analysts estimated Richemont would collect about £300 million.

Giving details of a restructuring announced Tuesday, the companies said the new tobacco group would retain the name Rothmans International and would comprise Rothmans' tobacco businesses, as well as certain tobacco trademarks owned by Dunhill and by Richemont.

The new luxury-goods group, which will be called Vendome Group, will own 100 percent of the Cartier and Dunhill luxury goods businesses and will include Piaget, Baume & Mercier, Montblanc, Chloë and Karl Lagerfeld. Analysis said the Rothmans

move was designed to unlock value of the nontobacco interests. "If you have tobacco interests in a business with other activities, tobacco is going to submerge the rating of the other things." said Zafir Khan at Societé Général Strauss Tumbuli.

A recent decision by Philip Morris Cos. to can the price of its Marlboro brand has caused a reassessment in the value of all established cigarette brands. At the same time changes in lifestyles and tax regimes have cut sales in developed nations.

Some of these trends were on display Friday when Rothmans reported its earnings for the year ended March 31. Although pretex profit rose 8.6 percent to £614 million, worldwide cigarette sales fell just short of the previous year's level. sed in Eastern Europe and Britain, but contracted in a

number of other markets. The Rothmans move is also designed to clear up complex cross-shareholdings. Richemont now owns 62 percent of Rothmans and 90 percent of Luxco, an unquoted company that owns 53 percent of company that owns 53 percent of Cartier. Rothmans, in turn, owns 57 percent of Dunhill and 47 percent of Cartier.

Under the new arrangement, Richemont will own 61 percent of sector in the European Free Trade Rothmans and 70 percent of Ven-Association are thought likely to Under the new arrangement, Ridome. Former public shareholders of Rothmans will own 38 percent of Rothmans and 18 percent of Ven-cording to a survey by the accoundome, and former public holders of Dunhili will own I percent of Rothmans and 8 percent of Vendome.

and Finland Rothmans shares, which re-sumed trading at 740 pence after the restructuring news, closed 29

But the survey said the chemical, electrical, electronics and tourism Pence lower at 692 pence.

Richemont fell 20 frames to industries were expected to do well when the European Economic Area 1,370. (AFX, Reuters, Bloomberg)

# **Bond Boom Hits France**

PARIS -- The government's big new bond issue

got off to a rousing start Friday as investors piled on to the "Balladur bond" bandwagon on the first Official day of sales.

Initiated by the new conservative government of Prime Minister Edouard Balladur, the bonds offer attractive tax breaks and are convertible into shares of companies once a huge privatization campaign gets under way this fall.

The government hopes to raise at least 40 billion francs (57 billion) through the issue to fund job-creation measures. Sales end July 10. First estimates of demand for the paper showed

that the official target was likely to be exceeded.

Given the number of telephone calls asking for information and customers' intentions, there is a real mass craze for this bond," said Christian Defriac, in charge of private clients at Banque Nationale de Paris, one of the banks running the

AFP-Extel News

suffer in any future integration

with European Community, ac-

tants Ernst & Young of the 100

largest companies in each of Anstria, Switzerland, Sweden, Norway

LONDON - Iron and steel in-

sale. "Everything suggests that the 40 billion franc total is already behind us."

ENTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, JUNE 26-27, 1993

Credit Agricole is the other lead manager. Some bankers speculate the total could reach 80 billion francs or more for the four-year bends. which pay an annual interest rate of 6 percent.

Holders of the bonds will be exempt from tax on any capital gains they may make if they buy them with cash taken from money-market funds and placed in a special kind of securities savings plan. known as a PEA.

There is an estimated 800 billion francs of private cash tied up in money-market funds in France.

Savers are being bombarded by television, radio press and billboard advertising, urging "Let's Invest in Our Future." The Economy Ministry is running an advice hotline and about 43,000 bank and post office branches around the country are pushing the Balladur bond. (AFP, Reuers, AFX)

The iron and steel industries in rates become more realistic," it

the Nordic countries will suffer said.

from existing overcapacity in the

EC, and from potential imports

"Surprisingly, given overcapaci-ty elsewhere, the chemical industry

was seen as a sector which will

Agriculture and parts of the food

by the EEA agreement, but future

EC membership may require a re-duction of existing subsidies, the

expected to benefit, particularly in

the Nordic countries, as exchange

"Conversely, tourism might be

instry are not directly affected

from Eastern Europe, it said.

gain," Ernst & Young said.

## **Unions Back** Wage Pact For Italy

ROME - The Italian government, struggling to secure a wage pact to restrain inflation, on Friday won the backing of labor imions. "As far as we're concerned, the

main part of the negotiations is over," said Pietro Larizza, general secretary of the UIL union, one of the three national confederations taking part in talks. Mr. Lanzza, who spoke to journalists after unions met Prime Min-

ister Carlo Azeglio Ciampi and La-

bor Minister Gino Giugno, said he expected the government to meet separately later with employers' representatives. Industrial employers have so far rejected government attempts to

mediate a solution.

recession.

The proposed accord would lay down terms for national wage bargaining for the rest of the dec Both the government and independent economists say an agree ment is vital to ensure there is no rekindling of inflation once the economy begins to move out of

The industrial employers group Confindustria has been resisting union demands for more wage negotiations at company level. Confindustria says it is willing to

see company-level deals extended to all but the very smallest companies, but only if the government waives additional industry contributions to pensions and social security. Industry says any company level-wage rises must be linked directly to

increased profitability. Unions want a less rigid yardstick such as produc-Equitable Policy Holders Trust Ltd. tivity. Employers also demand union concessions on flexibility in the hiring of temporary labor. The negotiations would set up a new framework for wage bargain-

ing after a historic accord last July between employers and unions abolished an automatic link between wages and the cost of living. The abolition of the wage indexing system is widely credited with

Frankfurt London FTSE 100 Index CAC 40 TO J'FM' AMJ Prev. Exchange Friday Close Change 110.70 +0.72 **CBS** Trend 111.50 Amsterdam 6,409.23 Brussels Stock Index 8.447.41 +0.53 Frankfort +0.15 857.29 Franklert Helsinki HEX 1.107.70 2,264,90 2,269,60 Loridon Financial Times 30 2,887.50 2,894,70 -0.25 London FTSE 100 -1.84 262.52 +0.80 MIB 1,183,00 1,176.00 1,950.84 1,963.30 **CAC 40** Affaersyaeriden 1,295.30 -0.12 376,93 377.38 +8.56 799.80 **Zurich** SBS

**Investor's Europe** 

#### Very briefly:

Quick Restaurants SA of Belgium saw demand for its shares in an initial offering outstrip supply by 10 times, according to the bank organizing the offer, Banque Bruxelles Lambert; it sold 1.14 million shares on behalf of Casino, the French retailer, which owns 21 percent of Quick.

• Société Générale de Belgique SA said it was still talking to potential buyers for part of its 82 percent stake in Union Minière SA; the Belgian holding company wants to retain a majority of the holding, however. David S. Smith Holdings PLC, the British packaging and container company, has agreed to buy Spicers Group from Svenska Cellulosa AB

for £100 million (\$147 million). Aegon NV has been cleared by the EC Commission to acquire joint control of Scottish Equitable PLC; it will share control with Scottish

 Yorkshire Electricity PLC, the British utility, said pretax profit in the year that ended March 31 rose 10.2 percent to £156.3 million, from \$141.9 million; but sales for the year fell 1.3 percent.

· Lithnania has officially done away with the Russian ruble and introduced its own currency, the litas, which replaces an interim currency, the talon; the talon, worth 100 litas, will remain in circulation until July 20. Bine Circle Industries PLC plans to restructure operations in two core divisions, Home Products and Heavy Building Materials, to cut costs.

· Arbed SA, the Luxembourg steelmaker, said it expected the steel industry to stagnate this year and then rally slightly in 1994 and 1995.

# Matra-Hachette Expects Sharp Rise in Profit

Compiled by Our Staff Fram Dispatches PARIS - Matra-Hachette SA expects a "very marked increase" in profit this year but does not believe revenue will rise much above

last year's level, its chairman, Jean-Luc Lagardère, said Friday. Revenue was 55.1 billion francs (\$9.2 billion) in 1992. But amid recession in Europe,

revenue in the first quarter of this year slipped 2.5 percent to 12.6 billion francs. Mr. Lagardère, addressing the annual meeting of the conglomerate created by last year's merger of Matra and Hachette, said the profit improvement above 1992's 354 million

francs would be partly due to declining finan-

cial costs linked with the bankruptcy of Ha-chette's television station La Cinq.

In addition, he said, write-downs of goodwill and depreciation are lower this year than the 306 million francs reported for 1992. And at an operating level, Mr. Lagardère said the company's nine divisions would all be profitable this year.

• Scineider SA, the electrical-equipment and construction concern, will be absorbed by its holding company, SPEP, in the an-tumn, Schneider's chairman, Didler Pineau-Valencienne, said Friday at the annual meet-

SPEP has offered 10 shares for every 7 Schneider shares, he said. Following the absorption, the debt of the

new entity will be cut by 1 billion francs by comparison with Schneider group's present debt, which has a ratio of 1.10 to stockholders' equity, Mr. Pinean-Valencienne said. He said the debt reduction also will have a small favorable effect on Schneider's earn-

ings per share this year.

Mr. Pineau-Valencienne declined to make any forecast of group results and sales for this year as a whole. But he said he did not expect the Spie-Batignolles unit to return to breake-ven in 1993 because no significant recovery

Mr. Lagardère's comments lifted Marra- has materialized in the construction and Hachette shares, which ended 5.10 francs property sector. Spie-Batignoiles reported a net loss of 274.3 million francs for 1992.

• UAP's privatization does not require the resolution beforehand of the dispute between UAP and Compagnie de Suez over the French insurer Victoire, Chairman Jean Peyrelevade said at the annual meeting. UAP, Union des Assurances de Paris, and

Snez broke off year-long talks last December over UAP's offer to sell its 34 percent stake in Victoire to Suez, which owns 58 percent of Vactoire. In exchange, UAP would have reorived Victoire's controlling stake in the German insurer Colonia Konzern AG.

"What is important is getting back to a normal level of profitability," Mr. Peyrelevade said. He added that UAP expected to have a nificant rise in profit in 1993, without reaching the record 4.2 billion francs of 1990. In 1992, UAP's attributable net profit fell 71 percent to 1.08 billion francs.

(AFX, Reuters, Bloomberg)

LUXEMBOURG — EC fisheries ministers agreed Friday on new rules to protect fish stocks that are less strict than rules proposed by the EC Commission, said the Danish minister, Bjorn Westh.

AFP-Extel News

Sweden was seen by most as the

country most likely to benefit - 90

percent of companies thought so— and all other countries except Swiz-zerland would benefit substantial-

ly, according to the study. Only 52

percent of companies thought Switzerland would benefit.

Some 66 percent of companies in

the survey sample believed that a

single currency would have a posi-

tive impact on their business, but only 15 percent believed it would

The survey was carried out by mail in March and April.

be introduced by the year 2000.

**EC Ministers Dilute** 

Rules on Fish Catch

The commission had wanted to stop fishing boats from carrying more than one type of net. But ministers decided to allow more nets on having helped Italy's annual inflaboard, provided they were packed. tion rate fall to 20-year lows.

# MARK: An Anchor Begins to Drag as the Tide Tests the German Currency

#### Continued from Page 9

most countries' largest European trading partner.

• The mark, after the dollar, is still the world's second-largest retheir funds. In 1992, Deutsche- the decade, if ever.

mark trade accounted for \$550 billion a day, or 40 percent of global foreign-exchange turnover. • The mark also has the heaviest

individual weighting - at 32 percent - in the European Currency serve currency, or place where in- Unit, which delimits European curternational institutional investors, rency divergences until a single Eucleana currency is created later in

Alternatives to the mark are other stable currency, is not part of scarce. The British pound, which the European exchange-rate mechalso enjoys relatively high turnover, squandered much of its credibility

While the Bundesbank does not during a currency crisis last year. The French franc and the currule out that the mark could be rencies of the Benelux countries, replaced as the macroeconomic anchor by a bloc of other economie while more stable than the mark of and currencies, it considers the shift late, are considered illiquid. The Swiss franc, the continent's highly unlikely.

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# Hong Kong Fears Effect If Tunnel Bill Loses

HONG KONG - Private inves-, tors may lose interest in building and operating a new traffic tunnel under Hong Kong's harbor if a bill that sets terms for its award to a contractor is rejected by lawmakers, the Hong Kong government

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warned Friday.

If the Legislative Council does not pass this piece of legislation. I am afraid the consequences will be very, very grim," Secretary for Transport K.Y. Yeung said at a news conference. "If the project had to be retendered it could scare private investors and bankers off," he said. "There might be no one interested in retendering." The legislation provides the

framework for the awarding of the 30-year trinnel franchise to Western Harbor Tunnel Co. That is a consortium led by China-con trolled China International Trust & Investment Corp. Hong Kong and including Cross Harbor Tunnel Co.

The tunnel is due to be finished by June 1997 at a construction cost of 6 billion Hong Kong dollars (\$770 million). It would be the third tunnel under Victoria Harbor and a key part of Hong Kong's dopment program centered on the building of a new international airport

However, some lawmakers have questioned a formula that sets the toll for use of the tunnel when it is completed at 30 Hong Kong dol-lars, three times the charge for the existing two tunnels.

They have also accused the govemment of being far too generous to Western Harbor Tunnel by proposing that it make a 16.5 percent average annual return on the 2.5 billion Hong Kong dollar equity investment in the project.

"On that basis, they can get all their investment capital back in six years and have 24 years of pure profit," said Albert Chan, a legislator and spokesman on infrastructure projects with Hong Kong's biggest liberal party, the United Democrats.

# A Chinese Gold Rush Is On Domestic Price Soars as Buyers Seek Hedge

HONG KONG - More and more Chinese

citizens are hedging their savings against soaring inflation by turning to the precious commodity that, for now, glitters most -- gold.

The open-market price has climbed more than 50 percent this year. With inflation in the top 35 cities nning at 19.5 percent and the yuan having lost more than a quarter of its value in recent weeks, the

experts any gold is sure to shine even more.

"Gold prices are going to keep soaring," said Emily Li, manager at the World Gold Council in Hong Kong. She said the latest surge in gold in China was not related to recent price increases on the world market, but rather a result of the devalu-

ation of the Chaese currency.

The People's Bank of China, the country's central bank, sets the wholesale price of gold above world levels. It is now selling gold for \$390 an ounce, compared with about \$370 in Hong Kong.

On the open market in China, the price is rising much faster. At the beginning of the year, gold was selling for 85 years (\$14.80) a gram, or \$463 an otimee, in the major Chinese cities. Today it is selling for 128 yuan a gram, according to the World Gold Council. That amounts to a surge of just over 50 percent, most of which came in the last two months, Miss Li said.

The surge is partly due to Chinese regulations. Jewelry makers must lay down 50 percent of the total cost in youn and the other half in U.S. dollars. The recent devaluation of the year on the country's swap markets has raised their costs. It has made dollars more expensive for manufacturers. and the increase has been passed on to consumers.

Demand also has played a big part. Anxiety about inflation and the yearn helped make China the world's No. 1 purchaser of gold in 1992, traders said. The World Gold Council in Hong Kong

estimates that China will consume 370 metric tons of gold in 1993; that would be 20 metric tons more than in 1992

Since Chinese citizens cannot invest overseas, ld provides one of the few investments that is likely to stay ahead of price increases.

"Chinese consumers really lack investments against which they can hedge inflation," said Andrew Leung, China analyst at Smith New Court (Far East). "We're not seeing people buying gold in a panic, but they are buying more of it."

Many Chinese are also buying gold abroad. Chow Tai Fook, one of Hong Kong's largest jewelry stores, said that about 20 percent of its customers were visitors from mainland China.

Chow Sang Sang, another of Hong Kong's top jewelry showrooms, said that about 50 percent of its customers came from the mainland.

Joyce Tse, promotion manager at Chow Sang Sang, said: "If the currency value is down, tradialready have a fridge or color television, what else can you buy?" She added that people from China came to Hong Kong "because they can get a better

Gold sales inside China were brisk at the beginning of the year, and then picked up again this mouth when the government began permitting the year to float freely on swap markets at the begin-ning of June and the currency lost 35 percent of its value, traders said.

Dan Tretiak, a Hong Kong-based China analyst, said: "There's a lot of gold trading done just on a personal basis. Chinese now ask visitors to buy gold for them. They don't ask for cheap consumer goods like cigarettes anymore. They pay in hard correctly and they only want 24 karat."

# Led by Steel, BHP's Profit Doubles

tralian dollars (\$800 million).

MELBOURNE - Broken Hill Pty., boosted by strong steel earnings and a one-time tax benefit, announced Friday that its net profit had more than doubled in the last business year, to 1.19 billion Aus-

BHP, Australia's largest company, reported a 132 percent surge in profit for the year to May 31, from 514.8 million dollars in 1991-92.

BHP said all businesses benefited as the Australian dollar fell, off-

denominated in U.S. dollars. Revenue in the year rose 10.3 percent to 15.9 billion dollars. The

company gave a host of reasons, including higher copper, iron ore, manganese and coal sales volumes; the inclusion of New Zealand steel results; higher oil and liquefied natural gas volumes and higher prices for refined petroleum products and U.S. natural gas.

The flotation of the 75 percent of the debt raising to the airline's growth prospects,

12 Month High Law Stock

Shares in the mining oil and steel giant closed 16 cents higher at 13.92 dollars.

Big Qantas Debt Sale in U.S. Opens Way for Float

airline that the Australian government still owns is scheduled to take place in October or

November this year. A 25 percent stake is

already held by British Airways PLC.
This debt raising was Qantas's first entry

into the U.S. debt market, and the excellent

response will help ensure future debt raisings are equally successful," Managing Director John Ward said. "It's an exciting achievement when viewed against the background of the aviation industry."

Mr. Ward attributed the success of the

rector, said BHP expected to improve on its performance in the 1993-94 year but declined to give a profit forecast.

In the year just ended, net profit was lifted by a 203.8 million dollar gain due to a cut in the company tax rate to 33 percent from 39 percent, Analysts said the formerly depressed steel division stood out as the star performer by almost dou-

bling profit in the final quarter. For the year, the division's profit urged 28 percent to 242.5 million

its cost structure, young fleet, productivity,

Sources said Qantas had only 300 million dollars to 400 million dollars left to place of a

1.3 billion dollar loan package inherited through the merger with Australian Airlines

float. They said plans were well advanced for a combination of new bank facilities and a

DIV YM PE 100s

market share and route network.

## (Reuters, Bloomberg)

#### Bank of India Director Fired in Share Scandal

NEW DELHI - The head of the government-owned State Bank of India, India's largest commercial bank, was dismissed on Friday for his alleged role in a \$1.3 billion

The Finance Ministry statement, without giving reasons, said only that the bank's managing director, V. Mahadevan, had been fired. But

12 Monto High Low Stock

# Thai Banks Give In On Rate Demands

By Ken Stier

Special to the Herald Tribune BANGKOK - Several of Thailand's largest banks, bowing to pressure from the central bank, said they would out their maximum lending rates Monday by one-quarter of a point to 15.75 percent. But it was not clear whether the

of Thailand and the commercial banking sector would ease. Government efforts to "talk down" the rates in order to spur the weak economy have been met with an unusual show of defiance by the

But by Friday at least two other banks said they would follow the lead of the country's two largest banks, Bangkok Bank and government-owned Krung Thai Bank, which received the most direct pressure from the central bank. clear that they had cut their rates

reluctantly.

Vijit Supinit, the central bank governor, said he was "pleased" that the banks were cooperating. Although central bank officials have not said exactly what rate they would like to see, bankers and ana-

points soon. Interbank rates declined Friday

to a nearly two-month low of 7.50 percent, from a range of 7.75 per-cent to 8.00 percent Thursday. Bankers and economists said

the economy. The central bank's hopes that the move would boost loan demand by small and medinm-sized investors also may fall short, they added.

have done so far is too superficial," said Vichai Mann, a banking ana lyst with Baring Securities Ltd.
"The pressure will continue."

The Bank of Thailand has said the commercial banks are profiting at the expense of small businesses As a securities company's brief-

monthlong feud between the Bank

commercial banks.

lysts say they expect Mr. Vijit will press for another cut of 25 basis

for the fourth straight day on mod-erate activity, Reuters reported. The overnight interbank rate eased

that the rate cuts announced so far would have only limited effect on

They are desperate to stimulate the economy, and what the banks

ing for investors put it this week:
"The BOT is publicly accusing the

under a mountain of debt. but was jailed in Britain in 1985. He fought extradition, saying he feared for his life, but was returned last December after numerous appeals.

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banks of passing on the burden of low-interest charges for prime bor-rowers on to small customers and general customers - in lay terms, labeling their activities rip-offs." Banks have complained that li-

quidity remains tight, and that while deposits rates could not be reduced because of a government policy to encourage savings to deal with the current-account deficit. market mechanisms should be allowed to decide other rates.

They warned that by trying to reimpose regulation by decree so soon after interest rates had been liberated, the central bank was jeopardizing Bangkok's bid to be a regional financial center.

The banks' open defiance frustrated central bank officials, who increasingly turned to the press to make their case of excessive profits, including leaking sensitive infor-Bangkok Bank officials made mation about Bangkok Bank. which has nearly 30 percent of the bank credit market.

**Guilty Plea** 

On Loan

By Osman

HONG KONG - Lorrain

Osman, the Malaysian banker

who lost a seven-year battle

egainst extradition from Brit-

ain, pleaded guilty Friday to a

corruption charge in Hong Kong's decade-old Carrian

Mr. Osman, former chair-

man of Burniputra Malaysia

Finance Ltd., admitted he had

conspired to have the Malay-

sian state-owned company

lend \$292 million to a compa-ny controlled by a co-defen-

dant, George Tan, the Malay-

sian-Chinese head of the

The loan was arranged even

though Mr. Tan's company,

Plessis Investment Ltd., had

paid-up capital of only 2 Hong Kong dollars (25 U.S. cents).

Hong Kong's High Court was

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million in franculent loans he

is alleged to have arranged in exchange for \$8.2 million in

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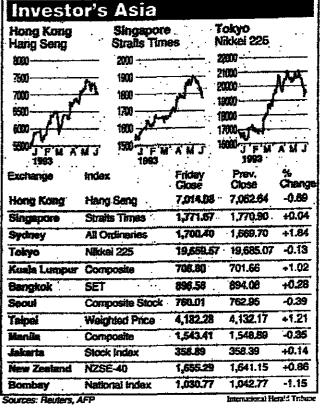
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17 Month High Low Stock

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# **Very briefly:**

• Bank of Korea said South Korea's foreign-exchange holdings had passed \$20 billion for the first time, reaching \$20.06 billion as of June 15. • Hyundai Group plans to raise its 50 percent holding in Kukdong Oil Co. to 80.5 percent by buying a stake from a former president of the refiner. • Sumitomo Metal Mining Co. and Sumitomo Corp. will take a combined 20 percent stake in North Broken Hill Peko Ltd.'s North Parkes coppergold mine development.

• Japan's Management and Coordination Agency said consumer prices rose 0.1 percent in May from April and 0.9 percent from a year earlier. Japan Automobile Manufacturers Association said vehicle exports will fall for the eighth successive year in 1993, due to weak demand in North America and Europe and a strong yen; in May, vehicle exports fell 11 percent from a year earlier to 359,513, the second straight monthly fall. • Standard & Poor's Corp. placed the credit rating of Dai-Ichi Kangyo Bank on review with negative implications, citing a higher level of nonperforming loans; DKB's senior debt is rated AA- by S&P.

· Daiwa Bank Lad.'s research institute lowered its forecast for inflationadjusted gross national product in the year to March 1994 to 1.6 percent from its earlier estimate of 2.6 percent.

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SYDNEY — Qantas Airways Ltd. announced Friday that it had successfully placed 560 million Australian dollars (3376 million) of debt with U.S. investors, a step

toward the 1.34 billion dollar flotation of the

Qantas said it had been able to place 112 milion dollars more than planned, setting a record for a private placement of unsecured debt in the U.S. market by an Australian company. The offering closed within just four hours of its opening.

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#### FIRST COLUMN

# **Currencies:** The Mouse That Roared

NE of the better jokes of recent weeks was made, albeit unintentionally, by the U.S. politician calling for a fund manager to be investigated because of his alleged manipulation of the foreign exchange markets. Given the size of the currency markets (one guess is a day's trade in New York equals a decade's turnover for all the world's equity markets combined) and the amount of money available to even the most powerful individual manager, you have to wonder what the politician does for a hobby. Or maybe he doesn't have time for a hobby, with all his time being taken up deciding which shoulder

While it is true that once a manager or analyst achieves guru status, the words from their mouths can take on the quality of what is known in aesthetics as a performative statement. Readers may be familiar with the argument that by saying something the words themselves may change the state of things. Thus: "I thee wed" is a performative statement, as is (perhaps too often, when pronounced in front of a pile of bricks or an exploded rubbish heap in some Manhattan gallery) "This is art." So to: "This is a good investment." By saying that the rubbish heap is art, it becomes art. And a market sector or share or currency becomes a good (or bad) investment — always provided that the critic, cleric or market takes the maker of the statement seriously enough.

So who is to blame for the "manipulation" of the currency markets? To blame a fund manager for being taken so seriously that his speculative plays are seen as indications of where the market is going next is ridiculous. It is like punishing a mouse if a herd of elephants should stampede at the sight of it.

It may be upsetting to some people that others get rich from playing a large, unregu-lated capital market. But so be it. The great beauty of the foreign exchange market is its liquidity. Free exchange of capital helps companies to trade. And the liquidity means that if a company wants to lock into a certain exchange rate to cover a future liability, it will have no difficulty in doing so.

# Yen's Rise Can Resist A Government's Fall

By Conrad de Aenlie

HE yen ended a volatile week of trading pretty much where it began, despite the fall of the government, and has recouped most of a sharp decline that began two weeks ago. Nevertheless, the drop was its biggest in months and suggests to some that the tremendous run against the dollar and practically everything else may be near an end, if not past it. People who offer odds on this sort of thing warn, however, that betting on a

prolonged downward ride is risky.

Up was certainly the right bet on the yen since late January, when a dollar bought 125 of them. In less than five months it fell to a shade over 105 yen, a record low.

The rise noticeably stalled as the crisis

within the government deepened. After failing to enact legislation to reform Japan's political system, Prime Minister Kiichi Miyazawa lost a confidence vote June 18 and called elections for a month later. That trading day and the next, the yen fell more than 3 percent against the dollar.

The political crisis "has broken the trend of the yen for the moment," said Robin Hubbard, chief economist at Paribas Capital Markets Group.

But the moment may be fleeting. Other analysts say there is little reason for the government's collapse to hurt the currency. After all, political scandal occurs nearly as

"A change of government is unlikely to mark any great change in government poli-cy," was the comment of Chase Manhattan Bank just before the confidence vote. "Upside for dollar/yen, therefore, looks limited, and we would expect the [dollar's] downtrend to be firmly and quickly re-established."

Indeed, the yen spent the rest of the week picking itself up from its stumble. It was trading around 106 on Friday, up from 112 to the dollar on Monday.

If the yen should weaken anew, it may be due to economics, rather than politics, and to the elegantly simple mathematics of international capital flows, the same factors that many say were behind the springtime rally. During late winter and much of the spring,

rates on Japanese bonds rose by more than a percentage point, a big move for the traditionally low-yielding debt. The Japanese stock market rose nearly 30 percent over roughly the same period. Higher bond yields and share prices both attract foreign buyers.

who first must convert their money to yen, sending the currency higher.

And foreigners are buying more than just financial assets in Japan. As always, they are buying televisions and cars. Again, the yen is supported.

Although exports have remained strong, Japan's domestic economy has cooled off markedly over the last couple of years. Overseas investment by banks, industrial companies and individuals has shrunk. That, notes the fund managers Guinness Flight, also keeps more yen in the country and the price high relative to other currencies.

Recent yen strength is largely a function of the problems of recycling the growing Japanese current-account surplus, expected to be a record \$118 billion for last year and to rise further this year," a Guinness Flight report says. Efforts to increase foreign inestment are being thwarted, it adds, by the rising stock market, which, of course, at-tracts money from inside Japan as well.

UT others think the yen has risen far enough and fast enough that Japanese investors will again commit substantial amounts of capital overseas, particularly in the United States, sending the yen lower.

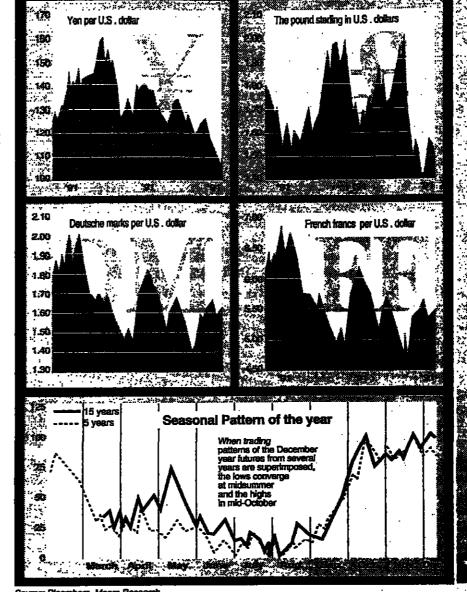
The dollar will find a bottom when U.S. assets look cheap enough to attract signifi-cant investment flows from Japan," say re-searchers at J.P. Morgan. "Japanese portfo-lio investment abroad should accelerate as the market tests the 98-to-100-yen area." But

after the dollar rallies by five to eight yen, "the yen will remain firm into 1994." If foreign assets are again seen as smart buys, then foreigners are also likely to find Japanese goods to be bad ones, something that may also depress the yeu, Mr. Hubbard

The yen is actually starting to hurt Japanese exporters, and that's something Japanese governments always get concerned about," he commented. For that reason, "I don't think it's going to move up much further against the dollar, but it may move against the European currencies because the Deutsche mark looks to be weak over the coming months."

While the dollar was losing ground to the yen nearly without letup, it actually gained about 5 percent on the Deutsche mark, which fell from just under 79 yen to about 65. It could fall still further, Mr. Hubbard said, because of the weakness in Germany's

Inflation in Germany is down and the



current-account deficit is up, he noted, and therefore we can expect lower interest rates; most people accept that the currency is

Of the three big world economies, Germany's is expected to be the weakest by far through next year. Salomon Brothers forecasts real gross domestic product to be -1.8 percent this year and -0.3 percent next year. U.S. growth is projected at 2.8 percent this year and 2.3 percent in 1994. Japanese growth is seen at 2.1 percent this year, accelrating to 3.5 percent next year.

Some analysts think there is more to currency movements than economics and politics; sentiment, for instance. Just before it turned, the yen was expected to keep rising by just about everyone who offered an opinion on the subject, which in the financial world means just about everyone, period.

But then, as one London currency trader recounts, "A lot of things happened at the same time. At 105, people thought the dollar had gone down too quickly, then you had the political uncertainty. Everything went the same way and market sentiment shifted quite dramatically."

much in favor of a stronger yen that a rate of 100 to the dollar was seen as nearly a sure thing. It was reminiscent of 1985, when sterling was around \$1.05 and London bookies

The Real Investment Value:

it Depends on the Currency

Beware the currency factor. It is an old

lesson, but one that needs to be constantly

re-learned: The success of an investment depends very much on the currency in which

Take the example of CMI, the internation-

al arm of Clerical Medical Investment,

which is justifiably proud of the returns recorded by its three risk-rated funds over their first year. The Protected Portfolio, aimed at the cautious investor, achieved

17.71 percent in its first year. The more

aggressive, equity market-orientated Diver-sified Portfolio gained 20.42 percent, and the

most adventurous vehicle, the Enhanced Portfolio, added 28.74 percent. But before readers start running for their

checkbooks, they should remember that the

above percentages are calculated in sterling, a currency that has had a bad time over the

past year. The returns, when presented in

BRIEFCASE

made parity with the dollar an even bet. Of course, it never happened.

What does happen over and over again, says Jerry Toepke, editor of the Moore Research Center Report, which tracks seasonal commodity movements, is a summertime peak in the dollar.

The typical movement for currencies is to make some kind of low in June, July, maybe August, then rise into the last business day of the year," he said. Then "they tend to decline. That's been a strong tendency over the last 15 to 18 years," occurring about 80 percent of the time.

What if a currency has headed straight up into a period where it should be bottoming, such as the yen has done? Sometimes the pattern is reversed, so "when a market comes into a seasonal period backwards, it will go out backwards," he said.

Another possibility is that the currency is in a strong bull move and hit its bottom a lot sooner than it should have. In such a case, there are "powerful underlying fundamentals saying the normal stuff is out the window this year," Mr. Toepke remarked. "This what's happening with the yen. The season-als work best when there's not an underlying fundamental [trend]. This year with the yea, there's obviously something going on."

Mr. Toepke stresses that "our work strictly analyzes history and puts it in perspec-tive." They are not in the prediction business per se. But there is no shortage of others who will offer forecasts on the yen.

Citibank's analysts expect the dollar to trade between 95 and 112 year over the next three months. Looking out six months to a year, they have a target of 115 year to the dollar. Citibank sees "early signs of weakening support for the yea now, but these are

Mr. Hubbard of Paribas states that the yen's rise is "probably coming to an end." His advice: "I would be putting my money into dollars at the moment," followed by assets denominated in yen, sterling, Swiss francs and Deutsche marks. CT.

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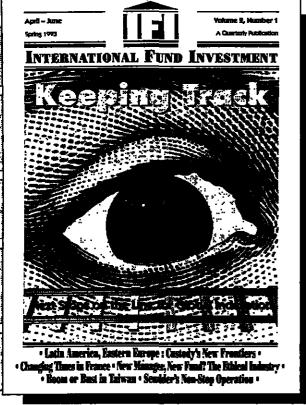
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Morgan, on the other land, expects Japanese and European inferest rates to fall, and even though that usually means bad news for their currencies, the bank is recommending yen- and mark-denominated bonds for those with a three-month horizon. The belief is that the potential gain from the bonds' appreciation outweighs the currency risk. Projecting out until the middle of next year, however, Morgan's staff sees the best returns in the dollar bloc, including Canada and

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# year and earlier this year. CMI has just produced another risk-orientated clone for Irish investors. The minimum investment is 30,000 Irish punt (\$45,000). For more information, call CMI in London (44 71) 930 5474. ■ Opportunities and pitfall in the markets. ■ Custody and administrative issues. Fidelity Expanding to Meet Growing German Demand

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Germany is where the action is, according to Fidelity, the international fund manage-ment firm. Fidelity has just announced an expansion of its operations in Luxembourg, the tax-privileged EC member state.

"Sales into our Luxembourg Fidelity Funds range and the Bermuda-based Money Funds have grown rapidly, to the extent that they now exceed U.K. unit trust sales, and assets under management have also been growing rapidly," said Barry Bateman, president of Fidelity International. "Some 50 percent of business is now coming from the German bloc."

#### French Oil Company Elf

**Gets a Vote of Confidence** While question marks linger over some of the companies scheduled for privatization by the French government, it seems that Elf, the state-owned oil company, should do well. At least, it will if this week's note on the company from the international investment house Morgan Stanley is a good guide.

Morgan Stanley is recommending the purchase of shares and American Depositary Receipts in Elf, and forecasts an earnings growth of 15 percent per annum between 1992 and 1997.

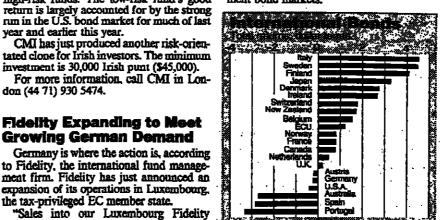
"We consider the stock undervalued," the note says. "Elf is the sixth largest oil company in the world, based on revenue and carnings, but [it] has only the eighth largest market capitalization. It sells at the lowest price-to-cash-flow multiple of the major inlegrated oil companies."

We shall see if the state-owned banks, scheduled for sale toward the end of the privatization program, can be made to look as attractive for the markets.

#### U.S. Government Bonds **Provide Negative Returns**

The sustained bull run in U.S. bonds had already petered out, but last month was still exceptional in providing a negative return for investors in U.S. government bonds. The past year. The returns, when presented in dollar terms, are less appealing. They translate into 6.03, 8.74 and 16.06 percent for the three funds in ascending order of risk.

Those figures are generally better than the dollar-oriented products, launched in July, which have produced gains of 12.56, 2.44 and 1.32 percent for low-, medium- and high-risk funds. The low-risk fund's good return is largely accounted for by the strong fall of 0.41 percent, as calculated by Kemper Investment Management, the London-based subsidiary of the U.S. fund manager, is among the worst of the returns international investors might have achieved by committing money to major international government bond markets.



Currency factors account for the strong performance in dollar terms of the Japanese market. As the yen was strong last month, so the peseta was weak. The difference for investors is a spread of more than six percentage points. Japanese investments are up 3.27 percent, Spanish bonds down 2.85 percent.

#### **Companies Put More Stress** On Security of Expatriates

How safe is the expatriate employee? Although incidents of terrorism and kidnappings were down last year, international companies are paying more attention to the security of their employees.

That is one conclusion reached by Runzheimer International, a Wisconsin-based consultancy, which has just surveyed 165 relocation professionals. Of companies with U.S. employees expatriated to "potentially dangerous locations," 53 percent use another employee with "actual on-site experience" to brief new employees on personal safety. Outside consultants are used in 19 percent of cases, and for 16 percent of expatriates no briefing whatever is given.

"The prospect of a safer global working environment for U.S. expairiates has not improved with the collapse of communism." said Chris Ritter, vice president of the international division of Runzheimer International division of Runzheimer International division of Runzheimer Communications. tional. Mr. Ritter regards the former Communist countries as engendering, "factionalized chaos," while "Third World dictators are left to their own devices with two limitations: less guidance and less mon-

#### **Another Corner is Turned** In U.K. Real Estate Market

One of the sadder sights on the international investment scene over the past few years has been the welter of desperate real estate agents trying to talk a little life into the defiantly comatose U.K. residential property market. To judge from the number of corners that the market has supposedly littled since 1990 year market. turned since 1989 you might expect that the British live in semidetached versions of the Hampton Court maze.

But now, maybe, a real corner has been turned in the market. On the one hand, the intervention, and considerable investment. of George Soros, a well-known fund manager, has helped provide a psychological boost to the commercial real estate market: And on the other, U.K. interest rates are low, and leaders say that activity is finally picking up in the residential sector.

"Recently, we have been helping clientsfrom the Lebanon, Sweden, Greece, Hong Kong, Switzerland, Australia, the Gulf states, Germany and the United States," said Simon Tyler, marketing director of Londonbased mortgage broker Chase de Vere Home Loans PLC. Mr. Tyler says that international al interest in Britain has been boosted by a lower sterling rate against most currencies, and the climate of lower U.K. interest rates.

Mr. Tyler's firm currently has three fixed-Mr. Tyler's firm currently has three fixed-rate mortgages on offer. Buyers can choose between 7.99 percent, fixed for five years, 6.99 percent, fixed for three years, or 6.49 percent, fixed for two years. The minimum loan is £40,000 (\$60,000), and buyers must provide at least 25 percent of the muchase price themselves. price themselves.

For more information, call Chase de Vere in London (44 71) 930 7242.



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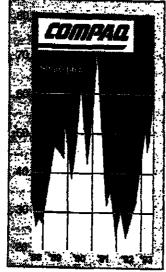
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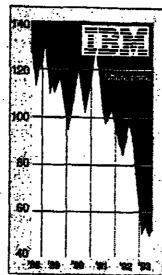
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# Software Stock: There Are No Blue Chips

By Aline Sullivan

HE prodigious success of Microsoft Corp., the U.S. software company whose market capitalization earlier this year outstripped that of IBM Corp., has prompted speculation among investors over the iden-tity of the "next Microsoft." But picking winners in the fast-evolving information technology market is no casy task.

Companies that appeared headed for collapse only two years ago are making comebacks with new products and alliances. Some of these, analysts say, may represent better baryains than Microsoft and its sometime partner, the microchip maker Intel Corp.

"Microsoft is not a bad place to have some money but I would head to a smaller company now," said Sanjiv Hingorani, analyst at No-mura Research Institute in New York. He rates both Microsoft and Intel "hold" because the companies face big challenges in the next phase of computer evolution. Most of their major competitors are worth buying, he said."

Both Microsoft and Intel made their fortunes from the shift in the 1980s to individual personal computers and away from mainframes. Now the companies, along with their rivals, are targeting the so-called client/server market. Soft-ware for this market will enable corporate customers to run wide networks of PCs, all connected to a central personal computer.

Analysts have estimated that the client/server market could be worth as much as \$15 billion in worldwide annual revenues. Unsurprisingly, competition to produce new operating systems is al-ready fierce. Microsoft's product for this market, Windows NT (New Technology), will compete with Novell's already well-established vare system and its newly acquired Unix system as well as with new products from Digital Equip-ment Corp., Hewlett-Packard, In-ternational Business Machines,

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Next and Sun Microsystems. We believe the client/server market will be one in which a few, as opposed to only one operating system, will flourish," said Mr.

Hingorani. Along with Microsoft, the Sun, IBM and Novell systems should also win substantial market share within the next few years, he

Merrill Lynch analyst Michelle Preston said in a recent note to clients that it would serve Microsoft best to position Windows NT as a complementary rather that competitive offering to Novell's Netware. She said: "Novell has significant advantages in its well-edu-cated distribution channel and field service/support organization. Windows for Workgroups may be a successful product for home, education, small business and small

This success may carry a hefty price. Microsoft is under review by the U.S. Federal Trade Commission following allegations from rivals that the company sought to monopolize the market for PC op-erating systems. Analysts say the investigation, along with possible civil lawsuits against the company

by its competitors, could cast a cloud over Microsoft's share price. Other companies are hoping to emulate the Microsoft/Intel relationship by forming joint ventures and marketing alliances. In some groups in an organization but is a cases, these joinings compete with

A recurring feature of the market is that the best product, technologically speaking, does not always win the biggest sales.

dead end for corporate or departmental networks.

Ms. Presion nevertheless expects

pre-existing arrangements as the companies try to hedge their bets on future technological develop-

strong earnings growth this year for Microsoft and Compaq. The out-look for Symantee is more uncertain, although the company is ex-pected to revamp their product range next year, she said.

The battles are just as fierce on the microprocessor front. Intel hopes these PC networks will be powered by its fifth-generation mi-croprocessor chip, Pentium. Analysis say, however, that Pentium faces strong challenges from AMD, DEC and Intergraph, all of which are increasing their production ca-pacity for similar products. A recurring feature of the infor-

mation technology market is that the best product, technologically speaking, does not always win the biggest sales. This applies both to software programs and to microprocessor chips. Success depends. market to use your product.

Microsoft has been fabulously

successful at this. The company's fortunes took off in the early 1980s when IBM selected the Microsoft

One such example is Taligent, a joint venture between Apple Computers and IBM. Taligent has created an operating system, named Pink, to exploit the new objectoriented programming (OOP) tech-nology, in which software is made up of chunks of code that can be reused in different parts of a single program. Pink will compete with Microsoft's OOP-based system, named Cairo, scheduled for launch

"Both Pink and Cairo will be leading contenders for desktop op-erating system leadership," said erating system leadership," said Mr. Hingoram. "Although it is much too early to predict the outcome, it is clear that Microsoft's dominance of the desktop for personal productivity applications may come under some threat from

personal communicators, or personal digital assistants (PDAs). Apple and its partners will be the first to launch a PDA product with MS-DOS operating system and the the release this year of "Newton." But Microsoft and Compaq expect on its PC. Links with IBM soon to compete with a joint product by

cluding Apple Computers. Now Other new products expected to Microsoft's MS-DOS system is found in the vast bulk of PC sales. ers, pen-based computers and more sophisticated desktop and notebook computers. Every company wants to achieve what Microsoft has with its MS-DOS operating

system: an industry standard. But developing a standard is getting more difficult. Competitors are lined up by the dozens, eager to copy new products and charge less for them. Also, technological inno-vations mean that already successful companies will be forced to develop new products at the same rate as their compentors. But many analysts remain bull-

ish about Microsoft's long-term prospects. Lehman Brothers analyst David Readerman rates Microsoft the strongest "buy" in the sector, thanks to a positive outlook for its Windows NT operating systems and its new "Windows at Work" venture, which will link computers, phones, copiers, fax machines and printers into one office system.

"Microsoft is my ranked stock," said Mr. Readerman, "It should be a core holding in the sector." He rates Microsoft's applications software rivals Lotus and Nobel as weak buys" and Borland, which has been losing market share, as a

Few analysts are bullish about the computer hardware sector. Profits have collapsed in recent years at many of the industry lead-ers: IBM, Groupe Bull, Olivetti, Siemens-Nixdorf, Hitachi and NEC. Massachusetts-based Wang Corp. filled for bankruptcy last year. Dell, a personal computer maker, was able to buck the trend thanks to an effective distribution system but competitors are threatening to swamp the market.

That leaves the volatile software market as the best bet for the private investor. Analysts may dis-Another new market is that for nies will succeed, but they agree on one point: As investors in IBM have discovered, there is no such thing as a blue chip software company, a firm that can be relied upon to make decent profits, year in, year out. In the software business, yesterday's stock market prodigy

Trust Law, Under Revision in Britain, Also Has Its Continental Models

# Prescribing Expatriate Health Insurance

By Barbara Wall

F you are planning a temporary move overseas, you probably wouldn't dream of leaving the family home empty without some form of insurance protection. By the same token. health insurance should be high-up on your list of priorities. Yet, horror stories of expatriates failing ill abroad without sufficient cover are all too common.

While the occasional cold or flu virus is unlikely to cause you too much financial hardship, a serious illness, which requires hospitaization, may render you financially as well as physically incapacitated. "Hospitals in countries such as

Japan and the United States may not treat you unless you have ready cash or can offer proof of existing insurance cover," said a spokesman for Transcare International, a London-based medical insurance provider. "If you are living in remote areas of North Africa or the Caribbean, and you don't fancy sharing your hospital bed with the local insect population, you may have to pick up the tab for an expensive airlift to the nearest large :042."

Even if you are moving to a country that offers fairly high stan-dards of health care and a comprebensive social security system, it is not worth leaving things to charce. It can take several months before you receive a social security number. And should you require treatment in the interim, you will probably have to pay for it out of your OWN resources -- not all countries have reciprocal health insurance

There are plenty of international medical insurances plans on the market suitable for expatriates, and it is around this time of the year that they update their benefits

Expecare; ess. p: HS. OT<sup>1</sup>. OA Complete: plus OP. ED.

Basic Standard:

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HS1. SF4. OP2. LA3.

les: 1) inpatient & daycare 2) \$1540 3) \$462 4) includes drugs, Options : EE - \$106. Will cover sporting injuries.

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NB.; Hospital services include tull range of inpatien and daycare tres U.K. Area in includes Carlibbean.

Currency: 21.00; \$1.54. Premiums rounded to nearest dollar.

ent ratea apply if you are non-resident.

Footnotes: 1) \$154,000 2) 90 days US/Can/Car 3) includes GP/preso

accident cover. NB: reducing to \$154,000 in home country.

HS. OT1. OA2. LA. EE. R.

Medicare: Basic: HS. LA. HN. C. EE. ED. \$493 \$1,349 |ABitin corpus) | Exec: plus OP | M2 RD R4 OT. \$687 \$1,945 |Footnotes: 1) \$39 excess 2) \$7,700. 1,540 excess 3) \$77 excess 4)\$7,700. Optional:

HS. SP. HN. PD. LA. R. EE. \$828

: 1) S8,000 2) routine OP, excess 539 3) 30 days US/Cen. 4) \$900 5) \$1,800. Available to Amer card holders only.

cheaper cover from a local broker. the plan may not be as comprehensive. A spokesman for Private Pa-uents Plan (PPP), which is based mended, is to opt for the cheapest near London, said, "Many of our clients prefer to return home to offers a basic plan with an annual receive treatment. An insurance premium of just \$350 for clients policy taken out locally may not aged from 40 to 44. Medicare, ancover you for 'out of area' medical

And, should you return home at any stage for a visit, and fall ill. most international health plans will reimburse your medical expenses. But pay special attention to the range of benefits are broadly the restrictive clauses: The level of cov-

O, how do you go about choosing a plan? Geographical location will inevitably impose restricnons. Some plans will not provide cover for the United States, Canada and the Caribbean because of the high cost of medical treatment in these countries. Where cover is provided, expect to pay fairly hefty

If you are already partly covered by your employer or by the state health service in the base country, :1 might be worth considering supementary insurance. Internation al Health Insurance, which is based is Denmark, provides a supplemen-tary basic insurance that covers treatment in and out of the hospital up to 20 percent.

If you are planning to move to a remote area with inadequate health care facilities, first check that the plan provides emergency evacuation cover. This is often restricted with British United Provident Association (BUPA).

Because plan providers are con-

\$648

\$1,056

\$581 \$819 \$1,024 \$1,424

packages. It is worth noting that, standy updating their product liter-while it may be possible to get ature and adding new leatures and clauses, it becomes increasingly difficult to tell them apart. One cover available. Britain's Expacare other British company, offers a plan for \$493 that covers the same age band. Both plans are similar in that cover is restricted to countries

other than the United States, Canada and the Caribbean, and the same. However, the level of cover er available outside your area of varies, with Expacare providing cover up to \$308,000 and Medicare up to \$1,54 million.

A spokesman for PPP commented, "At the end of the day, you get what you pay for. The point is to make sure you have a policy with broad benefits at high levels, especially if you need cover for remote areas or countries where medical costs are high." At the top end of the range, PPP,

Medicare and Expacare offer com-prehensive packages that cover you for treatment in high-cost countries for premiums of \$2,696, \$1,945 and \$2,263, respectively. PPP offers one of the broadest range of benefits packages, which includes maternity cover and travel insurance, but the level of cover is limited to \$770,000 and it will not pay for prescribed drugs, dressings and surgical/dental appliances. Although Expacare will pay for all these extras, overall cover is restricted to \$308,000, and clients using outpatient services must pay an excess of 20 percent. Medicare, besides the high level of to "executive" plans or offered as cover, includes routine dental treatan optional extra, as is the case ment in its benefits schedule. But clients must meet one-fifth of the

All of the plans surveyed have

\$1.8m

\*\$1.8m

\$308,000

\$308,000

\$1.54m \$1.54m

\$18,4803 \$385,000 \$385,000

\$231,000

For example, while the custodi-

ans alluded to in the directive will

not be responsible for investment,

they must ensure that "investment shall be sufficiently diversified, so

that a major accumulation of risk

can be avoided," according to article 4 of the latest draft.

The substance of this duty is

based on the concept of the "pru-

deni man." In other words, the cus-

todian — or trustee — will have to

take a prudent attitude toward in-

ing as a prudent man might.

The British fund industry is at

the head of the diversification

game. According to statistics from the European Federation for Re-tirement Provision (EFRP), over 80

percent of assets of the U.K. industry's pension funds is invested in

equities. Almost one-third (31 per-

cent) of funds is committed to secu-

But diversification is not con-

fined to British investing, nor need

it be quite so widely spread. Dutch

funds have an average of 70 percent

committed to conservative, fixed-

nterest investments, according to

EFRP. The consensus among in-dustry analysts is that this mix of assets would comfortably satisfy the test of the "prudent man." Nevertheless, the Dutch them-

selves appear to be moving more

toward a diverse spread of risk-

oriented investments and away

from fixed interest. "We predict

that there will be an acceleration

rities outside Britain.

ent. That will mean diversify-

lasent, Also, reduced rates for Europe including

Age

40-44

21-49

30-44

40-44

Area 1 Area 2 Max. cover

\$1,884

\$1,867 \$2,083 \$2,696

\$1,605

varying strengths and weaknesses so choice will ultimately depend on personal circumstances and preferences. Other points to consider include age restrictions, exclusion clauses and claims procedure.

American Express has one of the few plans on the market that does not discriminate according to age. Most plans have a tiered structure of premiums: The older you are. the more you have to pay. Expacare and BUPA have upper age limits of 65, although their senior customers can opt for specially tailored health care plans.

Exclusion clauses are fairly standard throughout. They include suicide, injury sustained under the influence of alcohol or drugs, HIV and AIDS, any consequences of war or terrorist activity and preexisting illnesses. BUPA is the only provider surveyed that covers sporting injuries. And PPP is alone in providing cover for out-patient psychiatric treatment. A spokesman for PPP comment

ed. This has proved an important addition to our policy range. Most expatriates will admit to feeling stressed when they move to another country. Not only do they have to cope with a new job or working environment, but also a new culture and language. This can put an intolerable burden on families. As well as providing monetary assistance for those who are severely affected, we can offer a stress counseling helpline to ease the transi-

method of reimbursement. Will the provider pay for treatment upfront? Or do you have to wait sever al weeks to be reimbursed. The cash-flow factor is important if a large sum of money is involved. Also, make sure that bills can be paid in the relevant currency; not all providers offer this service. "Providing the hospital accepts a guarantee from the provider by telephone that the bills will be paid, the client will not have to pay any money up-front," said a spokes-man for Transcare International.

INALLY, check on the

BUPA has recently introduced a personalized plastic card for members. If treatment is required, the hospital will be able to take the details it needs from the card. Penny Howard of BUPA said, "Details on the card will make it easier for hospitals to arrange direct settle-ment of bills, thereby reducing any concerns regarding cash flow or risks of any costs relating to a currency exchange."

Choosing the right plan will in-wolve wading through a mass of product literature and sales jargon. But the effort will be worthwhile, if only for peace of mind.

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more or less, has for centu-ries been the main argument in favor of the trust, a concept that still forms an integral part of the system of financial safeguards in countries such as the United States, Britain, and many other countries. What is extraordi-

Fit works, don't fix it. That,

By Beverly Chandler

nary about trusts is not that their existence is under threat - especially so after the way Robert Maxwell was able to walk through them to steal millions from pension funds — but that they have survived until today. That may be about to change, as the investment industry waits for the report of a committee set up by

the British government, and chaired by Professor Roy Goode, a leading academic lawyer. The re-port, originally scheduled for early summer, is now due in the fall. "While few want or expect revolutionary change, the Goode report can hardly fail to have a dramatic impact, said one investment induting thesever.

Any changes to trust law would all the least rights of many thousands of mutual fund and pension.

fund investors. If changes do occur, they will come at a crucial time. For until the Maxwell scandal, it seemed that trusts were about to expand into a European market still seeking a financial standard in the theoretically unified and level playing field of 1993.

So, trust law may be set to spread, the Goode report permiting. But what is trust law, and Trusts and the large wealth of

them back to the Crusades, when knights going off to the boly wars could entrust the care of their property to respectable overseers who asset protection, ensuring that the assets are used only for the purposes originally interested and are posses originally interested and from would nurture their estates until the knights' children inherited

Put samply, a trust allows property, either cash or actual physical property, to have more than one owner at the same time. One is the trustee, who controls the trust and

on legal system. Some sources trace through the equity legal system. managed in a separate pot from other money, to the best financial advantage in terms of investment

and tax. As trust law is part of the Anglo-Saxon code, rather than the Napoleonic, the most developed use of Trusts and the large wealth of owns the assets legally, and the trust in Europe lies in the Unitowns the assets legally, and the the trust in Europe lies in the Unitowns the assets of the beneficiaries of Kingdom, where the trust is
other consists of the beneficiaries of the of the b

and private funds, whose trusts are often located offshore in the Chan-

often located offshore in the Channel Islands of Jersey and Guernsey.

The size of assets managed in British trusts is immense. The pension market is the largest and arguably the most sophisticated in Europe, with £400 billion (\$600 trusts on the Continent, and he billion) under management Beyond that, there are also 170,000 Switzerland, the Netherlands and registered charities in the United Belgium.

In Switzerland he says the comngdom, most of which are established under a trust framework.

Such is the flexibility of the trust the mandatory occupational plans

system that the concept of using leads to a high level of pension trusts rather than other routes to find assets, currently around 200 asset protection for large institutional or private funds is beginning for a labor force of 3.3 million, to gain international popularity.

of the loss of an estimated \$400 fund plan, the Swiss use a "board million from the Mirror Group's of foundation" structure, which pension plan following Maxwell's must be administered separately death forced the British government to reassess the situation. The between six and eight members, of loss of pension fund money at the whom three are elected employees' firmly embedded in the Anglo-Sax- of the trust, who own the assets most commonly seen as a vehicle the trust structure being at the

for pension funds, charity funds heart of the pension fund. Partly because of this, the type of in Europe are looking somewhat

In Switzerland, he says, the com-

to gain international popularity.

Unfortunately for the trust's the EC," by Debbie Harrison. For proponents, however, the discovery the administration of a pension from the company. This board has representatives.

The board subcontracts for its

investment managerial expertise. changes in EC policy on pension. The system is heavily monitored investment, rather than fund strucand the board members take their ture role very seriously. Traditionally, Swiss pension

(EY: LA: local ambulance, HS: hospital services. SF: specialists fees, HN: home nursing, OA: out of area cover,

OP: out patient, ED: emergency dertal, RD: routin clental, Mr. materialy, R: repatriation/local burial, TI: trevel insurance SC: stress counselling, CB: cash benefit if you don't have to pay for treatment P: physiotherapy, OT: organ transplants Area 1: worldwide excluding US/Can/Car. Area 2: worldwide including US/Can/Car.

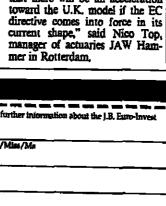
funds have been invested in bonds, but they are now beginning to look at wider fields, such as equities. After Britain, the Netherlands has had the largest pension fund industry, with some 550 billion guilders (\$290 billion) under management for a labor force of 6.2 nillion. Here again one finds a board of foundation structure similar to that operating in Switzerland. The most distinguishing feature of Dutch pension plans is that about half the assets of typical funds are invested in private placements of bonds. Only now are the pension fund investment managers beginning to look at a foreign context for investment opportunities.

In Belgium, Mr. Pugh explains, the structure used is one of a non-

profit organization with a board made up, again, of representatives of the company concerned and its employees. Here, at least, one finds employees: nere, at sease, one inno-a broader asset mix, with invest-ments often substantially placed outside of Belgium, largely due to the limited size of the Belgian bond and equities markets. Whether the trust structure or

the board of foundation structure is the better is imponderable. According to the National Association of Pension Funds, the latest proposals agreed by the European Parliament include a recommendation that assets should be held by custodians who are financially and legally independent. Some industry observers argue

that the drift toward an Anglo-Saxon model of investment is pri-



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# **SPORTS**

# **Orioles and Jays** Flying High After **Strafing Rivals**

The Associated Press

The Baltimore Orioles became support Pat Hentgen. the first team to sweep the Tigers this season, beating Detroit, 6-2, in Baltimore on Thursday to move within five games of first place.

In another key game, the Toton-to Blue Jays moved within .003 percentage points of first by beating New York, 7-2, in the deciding game of their three-game series. The two games wrapped up the

#### AL ROUNDUP

first round of the end-of-June American League East showdown, and the Orioles and the Jays came

out of first, traveled to Baltimore on Friday for a three-game weekend series then were to return home for a three-game set with the Tigers. The Orioles will play host to Toronto next week.

Harold Baines hit a three-run bomer in the first and Mark McLemore drove in three runs to send Detroit to a 10th loss in 10 games in two seasons at Camden Yards. Ben McDonald, the first of four Baltimore pitchers, allowed six hits, walked three and struck out

seven in 5% innings. The Tigers are the only AL team that has not won in the Orioles'

new ballpark. "It's a place I'm happy to leave right now," said second baseman Tony Phillips.

Baltimore has won 17 of its last 20 games, including four in a row. to make up for a horrible 5-13 start. Baltimore, Toronto, Detroit and

New York are in the middle of a nine-day span in which 15 games will pit one of those four teams against another. By July 1, or maybe sooner, the team atop the division could be different for the first time since mid-April.

Bine Jays 7, Yankees 2: In Toronto. the Blue Jays once again

came up with plenty of runs to

Hentgen improved to 6-0 in his last eight starts, thanks in part to Toronto outscoring its opposition 66-16 in that span.

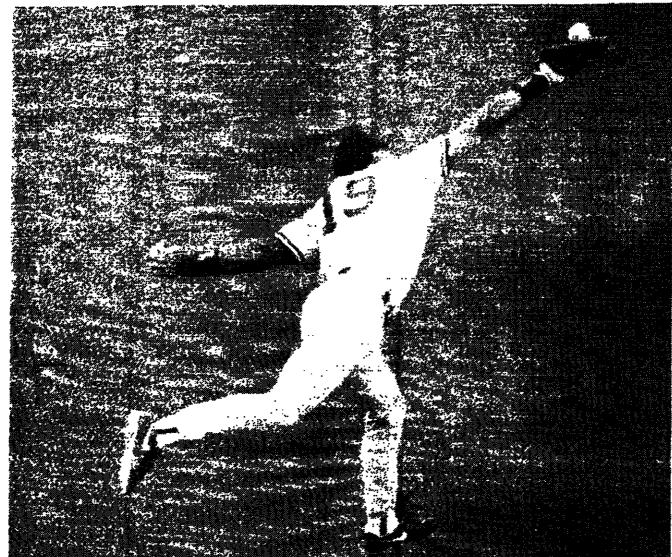
Devon White had a homer and a triple for two RBIs and Tony Fernandez also drove in two runs.

Royals 7, Angels 1: in Kansas City, Missouri, Kevin Appier won his fourth straight start as the Royals stopped Mark Langston's six-game winning streak.

Rico Rossy had three hits and three RBIs, Hal McRae had three hits. Wally Joyner had an insidethe park home run and Jeff Montgomery got his 22d save as Kansas ity moved within a half-game of first-place Chicago. Langston hadn't lost since May 8.

Athletics 3, Mariners 2: In Seattle, Randy Johnson, the majorleague strikeout leader, wasted a 14-strikeout performance by walking home the winning run in the

Brewers 5, Indians 3: In Cleveland, Ricky Bones pitched seven strong innings. Robin Yount ho-mered and Greg Vaughn hit a pair of RBI doubles as Milwaukee snapped a five-game losing streak that had dropped it into the AL East cellar the night before.



The Yankees left-fielder Dion James got close, but failed to catch Tony Fernandez's triple in Toronto. The Blue Jays triumphed, 7-2.

# Reds Win as Padres' Stillwell, Cold at 3d, Errs

Hours after third baseman Gary Sheffield was traded away by the San Diego Padres. his temporary replacement, Kurt Stillwell,

found the hot corner a little too torrid. Stillwell, who hadn't played at third base since 1987, let Chris Sabo's single go by him and down the left-field line in the ninth

NL ROUNDUP

inning, allowing Bobby Kelly to score the goahead run in the Cincinnati Reds' 6-4 victory over the Padres in San Diego on Thursday. Craig Shipley started in place of Sheffield.

right-handed reliever Trevor Hoffman and two minor leaguers. Stillwell, a backup shortstop, came in during a double-switch in the

"A couple of minutes before I went in,

they said, 'Third.' I said, 'Third?' I was a little Basicail, it failed me out." Stillwell said Sabo's single. "It was a two-hopper. It's

been a couple weeks since I even had a ground ball hit at me, much less at third base.

who was dealt to the Florida Marlins along with left-handed reliever Rich Rodriguez for third single.

Roberts delivered an insurance run with his in losing two of three games at Colorado. Manager Jim Riggleman stressed that the

Sheffield trade didn't affect the team. "You should put the uniform on and go out and play," Riggleman said. "I've never seen or felt a cloud around this team. People can make excuses, but to me, that's ridicu-

The Padres' new third baseman. Archi Cianfrocco, acquired in a trade with the Montreal Expos on Wednesday, was to be added to the roster Friday.

While San Diego lost for the ninth time in 12 games, Kelly homered and singled twice

Astros 1, Dodgers 0: Greg Swindell won for the first time in a month, and Andujar Cedeno hit a run-scoring single in the fourth

for Houston in Los Angeles.

Swindell gave up seven hits in 6% innings, struck out five and walked one, winning for the first time in five starts since May 23.

Giants 17, Rockies 2: Robby Thompson hit two home runs for the second consecutive game and the Giants erupted for five home runs and a season-high 20 hits for their

Berblinger, second baseman, and agaigned him to Gless Falls, New York-Pson League. SAN DIEGO—Traded Tim Scott, pitcher, to Mantreal for Archi Clanfrocco, infletier-put-leider: Gary Sheffield, third baseman, and Rich Radrispuez, pitcher, to Florida for Trever Hoffman, Jose Marrinez and Andres Bergerich Later and Andres Bergerich Later and Andres Bergerich Later and 
Roncho Cucomongo, CL, to Wichite. BASKETBALL

FOOTBALL

ceresive inemini; kick surrosect, stilbock; and Robert Obserty, offensive lineman. PHOEMIX—Signed Scott Stephen, line-bocker; With White, safety, to 2-year contract. SAN FRANCISCO—Signed Chris Daiman,

# A Voice of Caution You Have to Pay for Your Mistaland By Rill P.

By Bill Brubaker

Washington Pau Service
WASHINGTON - While the professional basketball community responded with shock, sadness and forgiveness to Magic Johnson's 1991 announcement that he had contracted the AIDS virus after a decade of promiscuity, Donna Harris-Lewis expressed another

"He's an adult," said the wife of the Boston Celtics' captain, Reggie Lewis, "He took the risk. It was like

Last of a series

playing Russian roulette. The things that he did, I'm quite sure he understands that he has to pay for it. You know, you pay for your

"What goes around comes back around," she added, "You have to be careful how you treat people."

And Harris-Lewis didn't buy the explanation given by the Los Ange-les Lakers' star that until he tested HIV positive, he believed only drug users and homosexuals could get

"I felt bad Magic's career had to end this way," said Harris-Lewis, whose husband is being treated for a heart condition that could end his career, "but we've been aware of the virus for quite some time, since the early '80s."

Wives usually are silent bystanders in discussions about promiscuous pro athlete. But in the age of AIDS, where wives can be gravely affected by their husbands' behavior, Harris-Lewis has no qualms about speaking out.

"Everyone should be enlightened and informed about this issue," she said in a telephone interview. "You know, a lot of people think: You're married, you're secure, it could never face you." But with the lifestyle that athletes lead. she added, "it could happen to any one of our husbands."

So Harris-Lewis was enthusiastic this winter when the National Basketball Association players union held HIV/AIDS seminars for NBA wives and significant others in each league city. The seminars were directed by the Johns Hopkins School of Public Health, which oversees the

players HIV/ALL/S programs "I thought it was a great idea," said Harris-Lewis, who helped coordinate the Boston seminar. "A lot of us are more or less taking care of the home front because our husbands are always, constantly traveling. We're like working in the home and we don't usually have these opportunities."

Harris-Lewis met her husband in 1985 when they were students at Northeastern University in Boston. They were married in 1991, four years after Lewis entered the NBA as the Celtics's No. 1 draft choice.

The 6-foot, 7-inch (2-meter) guard-forward, collapsed April 29 during a playoff game at Boston Garden and was told by doctors that he had a life-threatening heart condition. A second medical opin-ion said the condition was not so serious and that he could resume his career. Tests are continuing

Harris-Lewis said NBA players'

that groupies await their husbands

in every city.

"I always tell the significant others or fiances: You have to be very secure with yourself and your relationship to deal with the trials and tribulations of the NBA," she said. Because women are there. You can't stop them. You just hope that your spouse will have some respect, that if he wants to do that, then he should tell you. Then you decide: Do I want to stay in this relationship or not?"

Like other players wives, she said she questions her husband about his life on the road. I always ask, Well, who did you play cards with? Who was there? Who went out? Who went to dinner."

said. "Then you get an idea."
She said she's concluded that Lewis spends his free time on the road reading, watching movies and

playing cards.

"Reggie's always been a respon-sible man." she said. Harris-Lewis got a taste of NBA

life last year when she traveled with her husband to an off-season game in Atlanta and to the NBA All-Star Game in San Antonio. In both cities, women called their hotel rooms. In Atlanta, it was like 3 o'clock in the morning and we were both sleeping," she said, adding that she took the phone from Reggie and said, "'Do you mind! He has a

game tomorrow.' "In San Antonio, a female called him to ask for tickets. You know, that's like a means to an end. She said she hadn't asked her husband if life on the road has

changed much since Johnson's annonncement. And he hasn't voluntecred any information. "It's a locker room kind of

thing," Harris-Lewis said. "I don't think they want someone to talk about it. Because if one wife knows she'll tell the others and it'll cause

But the biggest problems, she warned, lay ahead for the promiscuous athlete. "You know what?" she said. "I just feel this was God's way of saying, 'Hey, guys."

#### Jordan Inquiry By NBA Cited

Compiled by Our Staff From Despatches

NEW YORK - The National Basketball Association has launched a full-scale investigation into charges about Michael Jordan's gambling, according to a radio report.

WFAN radio said Thursday that an investigation was un-der way into allegations by a San Diego businessman that Jordan had lost \$1.25 million gambling on golf games.

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An NBA spokesman, Brian McIntyre, said the league was not launching a formal investigation but that Frederick Lacey, a former federal judge, would assist the NBA in an inquiry of the businessman, Richard Esquinas. (UPI, AP)

# SCOREBOARD

Major League Standings AMERICAN LEAGUE .671 .548 .529

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Thursday's Line Scores

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Kansas City 130 000 631—7 13 0
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W—Appler, 9-4, L—Langston, 9-2, Sv—Monigomery (22), HR—Kansas City, Jayner (7),
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Lilliautst (9) and Oritz, Levis (9), W—Bores, 4-5,
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Toronto 113 629 60x—7 19 0
Kamieniecki. Monteleone (3), Heaton (8)
and Stanley, Leyritz (9). Hentgen, Costillo (8),
Timila (9) and Borders, W—Hentgen, 10-2
L—Kamieniecki, 2-2 HR—Toronto, White (9).
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AL Leiter, T. Bolton (3). Knudsen (8) and
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(6). Pennington (7). W—McDanaid, 4-6, L—M.

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Seminara, Masan (?), Ge. Harris (9) and Geren. W—Ayala. J-3. L.—Mason, ()-a, Sv—Dib-Geren W-Avolca 3-3.L-Moson, 6-a Sw-Dib-ble (7). HR3-Cmcmnorth, Larkin (4). Kelly (8). San Diego, McGriH (1a), Ploniter (10). Houston 900 100 906—1 8 2 Los Angeles 900 000 008—0 8 1 Swindell, B. Williams (7), Osuna (9) and Servals; Hershiser and Plazza, W-Swindell, 4-7 Leiberblan & Scholand (1). Servals; Hershiser and Plazza. W.—Swindell, 6-7. L.—Hershiser. 5-6. Sv.—Csuna (2). Colorado 010 100 000—2 7 1 San Fraecisca 340 200 25x.—17 20 0 Blair, Ruffin (4). Grant (8). Ashby (8) and Sneatier, Owens (8): Burkett. Richetti (8). Burba (9) and Manwaring. Allanson (8). W.—Burkett. 11-2. L.—Shair, 3-5. HRS—Color-ado, Hayes 112). San Francisco, Ro. Thoms-son (8), W. Clark (5), Bonds (2)), Carreon (3). Japanese Leagues

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ester, JL CALIFORNIA—Put Julia Volera, pitcher, on 15-day disabled list, Recoiled Mike Butch-er, pitcher, from Vancouver, PCL er, pitcher, from Vancouver, PCL.
SEATTLE—Optioned Jim Converse, pitcher, to Calgory, PCL. Signed Mike Collett,
pitcher; Josen Cook, shortstop; and Willy Wilkins, autifelder. Assigned Collett to Bellinghorn, Northwest Leogue, and Wilkins and
Cook to Peoria. Arizona Leogue.
TORONTO—Activated Alfredo Griffin. Infielder, from 15-day disabled list. Put Rob
Butter, autifielder, on 15-day disabled list.

National Bostethali Association
ATLANTA—Named Dick Helm and Bri
Winters assistant coaches.
PORTLAND—Traded Kevin Duckwor
center, and future considerations to Washin
ton for Harvey Grant, torward.
WASHINGTING—Renoupped rights to it National League
COLORADO—Activated Freedis Senovides, shortstop, from 15-day disabled list. Optioned Pedro Castellano, infielder, to Colora-

FOOTBALL
National Football League
CHICAGO—Bill Tobin, vice president of
player personnel, resigned.
NEW ORLEANS—Signed Otherlo Hender-son, solety, to 3-year centroci.
PHILADELPHIA—Signed Gerald Nichols, defensive lineman; Rick Burichsod, fullback; to Springs, PCL. FLORIDA—Activated Bob Natol, catcher from 15-day disabled list. Optioned Geror rrom 15-day disabled list. Optioned Geronimo Berroo. outfleider, to Edmonton. PCL. Re-colled Darrell Whitmore, outfleider, from Ed-monton. PCL. LOS ANGELES—Fined Darryl Strowberry. Juffleider, \$19,200 for missing start of game, PHILADELPHIA—Extended contracts of

Jim Fregosi, masager, firough 1998, and Lee Thomas, general manager, firough 1997, ST. LOUIS—Put Ray Lanktord, outfielder,

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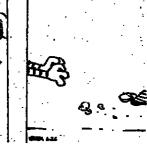
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#### CALVIN AND HOBBES









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# Sampras and Graf Roll On as the Top Seeds All Advance

round with decisive victories Friday. Sampras won his third-round match, 6-4, 6-1, 6-1, in 87 minutes over Byron Black, a Zimbabwean Black fended off seven set points before yielding the first set, but offered little resistance thereafter.

Graf, seeking her fifth Wimbledon title, crushed Helen Kelesi of anada, 6-0, 6-0, in 35 minutes. It as the second simtout for Graf, who has lost only three games in

"You go out there to play your best." Graf said when asked about the lopsided score. "I wish she'd played better. I think its wrong to lose a few games to make the score look better

The other top contenders in action, men and women, also advanced — a contrast with Thursday, when 7th seeded Ivan Lendt and No. 10 Andrei Medvedev were

Boris Becker, the No. 4 seed, layed less impressively than in his first two matches but overcame Ja-kob Hlasek of Switzerland, 6-3, 3-6,

#### Friday Results

MENTS SINGLES, THIRD ROUND
Pate Sumpres (1), Upited States, def, Byron
Block, Zimbobwe, 4-4, 5-1.6-1; Andrew Poster,
British, def, Andre Othovskiv, Russic, 6-1.6-5,
ret.; Richard Kraites, (7), Metheriands, def,
Lourence Tieleman, Holy, 6-2, 7-5, 5-7, 6-2;
Michael Stick (5), Germany, def, Christe Van
Paneturur, Suth Affert, 6-3, 4-4, 6-4; Andres Rensburg, South Africa. 6-3, 6-4, 6-4; And Apossi (N), United States, det. Potrick Rafter, Australia, 6-2, 6-7 (7-5), 6-0, 6-3; Boris Becker 234,6-24-3; Petr Kordo (11), Crech R

IC. det. Derrick Rostogrin, United Stohes, 6-2, 6-4, 6-4.

WOMERS SINGLES, THIRD ROUND Moredith McGrath, United Stohes, def. Shann Stofford, United Stohes, 6-1, 6-2; Yayuk Bosuki, Indonesia, def. Manufaterna Malseva (10), Bulgaria, 6-4, 6-2; Halena Sukawa (10), Bulgaria, 6-4, 6-2; Halena Sukawa (15), Czech Republic, def. Elena Bricokhovets, Russik, 6-7 (4-7), 6-4, 6-42; Arentho Souchez Vicario (31), Spain, def. Polity Fendick, United States, 6-3, 6-2; Lian Raymand, United States, 6-4, 6-2; Conchite Martinez (6), Spain, def. Poscale Paradis-Mongon. Franca, 7-6, 6-9; Steff Graf (1), Germany, def. Helen Keest, Canado, 6-4, 6-9; Jennifer Capriofi (7), United Stotes, def. Brende Schuttz, Netherlands, 7-5, 4-6, 6-2.

Andre Agassi, the defending champion and No. 8 seed, squanwimbledon's fourth champion and No. 8 seed, squan-dered a 3-0 lead in the second-set tiebreaker, but otherwise had no problems in a 6-1, 6-7 (7-5), 6-0, 6-3 victory over Patrick Rafter, a qualifier from Australia ranked 178th in

the world. "He gave it everything he had in the second set, and then he had a big letdown," Agassi said.
No. 6 seed Michael Stich, the

1991 champion and one of the favorites this year, downed the South African Christo Van Rensburg, 6-

Sampras's chief worry was a nosebleed in the middle of the sec-ond set; but he continued to dominate play after treatment by a tournament trainer "I thought I played about as well as I could," Sampras said. "The whole tournament is pretty wide

open. There are half a dozen gnys capable of winning it here, and I'm one of them." Also moving into the fourth round was ninth-seeded Richard

Krajicek, slamming 20 aces to beat Laurence Tieleman of Italy, 6-2, 7-5, 5-7, 6-2. The Dutchman, who lost in the third round in his two previous Wimbledons, will play

Agassi next. No. 11 seed Petr Korda defeated the American Derrick Rostagno, 6-3, 6-4, 6-4, the first time the Czech has survived the third round here. In women's play, Yayuk Basnki of Indonesia upset 10th-seeded Magdalena Maleeva, the last survivor of the three highly ranked Bulgarian-born sisters. Basuki, a 6-4, 6-2 winner, also reached the fourth

round here last year. Jennifer Capriati, the No. 7 seed, had her hands full early with Brenda Schnitz of the Netherlands, the hardest server on the women's tour,

but prevailed, 7-5, 4-6, 6-2.
Third-seeded Arantza Sánchez
Vicario defeated Patty Fendick, 6-3,
6-2; No. 6 Concluta Martinez beat Pascale Paradis-Mangon of France, 7-5, 6-0, and 15th-seeded Helena Sukova of the Czech Republic ral-lied to beat Elena Brionkhovets of Ukraine, 6-7 (7-4), 6-3, 6-3.



Andre Agassi, the defending champ, lost the second set Friday but then cruised past Patrick Rafter.

# **Britain Cheers Foster** And New 'Killer Instinct'

By Ian Thomsen stional Herold Tribune WIMBLEDON — Doctor Peter

Tudor-Miles was admitted to Court 14 after the ninth game of Russian sitting like a British boxer, beavy-hidded, drowsy and ironic. Take these, the doctor said, pressing a couple of pills into his hand.
"Time!" the umpire ordered, and the crowd started up again, oblivious to the opponent hunched over in his chair.
"Andrew!" Their favorite name

rose up in concert like guitar licks. "Come on, Andrew!" A woman in the audience looked at her fist and whispered, "You can do it."

The 21-year-old Andrew Foster of Britain, No. 332 in the world, with red curly hair and a beard so thin as to make him look younger, trudged out toward his purpose. His was a suicide mission. Sink the Bismarck! The unbelievably fine sun and all of this applause conspired perspiration out of him. He stood in his opposite corner, both hands around his racker, lifting one foot and then the other, wait At last the Russian moved A

himself up, and Andrei Olhovskiy walked across the court slowly. smoothly, not wishing to shake himself up. He wore a white outlit the second set Friday. He found the of subtle contrasts, and in the shadow of a baseball cap his face most resembled the gray sleeves. He looked as though the doctor should have brought out a bucket. But he was ranked 49th in the world, which in this context made him bigger than Stalin, plus he was on serve late into the second set. He was the perfect villain; as long as he didn't throw up they could pretend

The ball stumbled over the net tape and hopped up nicely one stride from the Russian's forehand. The Russian did not appear to no-tice. "He's done it!" somebody shouted. Foster had broken

Now he just had to bold serve and the first two sets were his. He double-faulted. (Ohhh.) But then he forced the Russian into the net! (Mad cheers.) He double-faulted. (Ohhhh.) The Russian gave Foster a fed-up look as if he were the klutzy executioner. As if to make a point, Olhovskiy then raised his arms and like a stame being spun from the base, plonked a return winner across the court. Now he had two break points he obviously didn't want. Meanwhile the crowd hummed with tension.

Under such pressure Foster executed two aces, and later he would congramlate the prowess of his own rve. Olhovskiy let them pass him by like mopeds. Just as Foster was preparing to serve for the set, he saw this old man walking along a beach. It was Olhovskiy. Looking at the umpire, he clasped his hands and spread them apart.

The umpire said, "Ladies and gentlemen, Mr. Olhovskiy retires," showing a bit of guts and killer instinct. In the old days it was, 'Are last bit. The score was 6-3, 6-5.

The day had begun with two your bag for you?"

Britons in Wimbledon's third In their next rou round for the first time since 1977, when Buster Mottram, Jonathan Smith and Mark Cox man and the as they say. (Cox got as far as the Round of 16 before losing in new killer instinct — Hip, hip, hurral Martin, who was five sets to Billy Martin, who was

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WINES & SPIRITS

year, because Chris Bailey, No. 263 in the world and wishing to become the first Briton to win on Centre Court in eight years, held match point in the 12th game of the final set while awaiting the second serve of the Croatian Goran Ivanesevic. It crackled the tape like a rifle firing with the spent shell airborne, and for that agonizing instant women were holding their hair and screaming — and then the ball landed in Bailey's court. Ivanesevic then served an ungodly ace down the middle. Three games later, Ivanesevic curled a forehand lob that became incredible when it landed in the corner. Then he broke

Whereas there were 17 Britons in the men's and women's singles on Monday, there was now only Chris Wilkinson, 23 and No. 143 in the world, and Foster.

As for Foster, the British writers occupying the two front rows of the press room wanted to know whether he felt any compassion for the Russian. "Not really," he said, adding: "That's a bit harsh, really, be-cause we all get injured from time to time. I've had to concede matches. It's a bit unfortunate really."

They went around about how he hadn't done anything to help the Russian, with Foster never looking comfortable, because they forced him to sit on a high stage. Then someone asked, "Is this lack of compassion really from you a sign of the new sort of killer instinct in British tennis now?"

"I don't think you'll find Jim Courier being too sympathetic, really," Foster said.

"Oh, no, we're very happy about it," the writer replied, speaking for the group. "It's nice to see someone you all right, old chap? Can I carry

In their next rounds, Foster and Wilkinson will meet, respectively, Pete Sampras and Stefan Edberg.

#### SIDELINES

#### 2d French Soccer Player Detained

VALENCIENNES, France (AP) — A second French soccer player to shan was questioned Friday in connection with an investigation into charges of at 132 game fixing between the Valenciennes team and the European club

game fixing between the Valenciennes team and the European Countries champion Olympique Marseille.

Jean-Jacques Eydelie of Marseille presented himself voluntarily to the police for questioning, said his lawyer, Thierry Herzog.

A Valenciennes player, Christophe Robert, remained in custody Friday after being questioned concerning an accusation that he received 250,000 francs (\$43,800) for holding back in the match against Marseille on May 20. He left the game after 23 minutes complaining of a painful knee. Marseille beat Valenciennes, 1-0, although it had already clinched its fifth consecutive league crown. Marseille met Italy's AC Milan in the its fifth consecutive league crown, Marseille met Italy's AC Milan in the final of the European Champions' Cup four days later, beating Milan 1-0 to become the first French team to win a European club title.

#### Van de Velde in French Golf Lead

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SAINT-QUENTIN-EN-YVELINES, France (AP) - Jean Van de Velde of France shot a record-tying, seven-under-par 64 over the 6,455-meter (7,031-yard) National Golf Course here Friday to lead the French Open by one shot after two rounds.

Van de Velde, 27, collected eight birdies and dropped a single shot to

par to finish 11-under overall at 131. Italy's Constantino Rocca shot a 66

to share second place with Scotland's Gary Orr (67), one shot off the pace

• The Welsh goller lan Woosnam has been charged with driving under the influence of alcohol after swerving off a country road near Myddle,

England, on Thursday and ploughing his Mercedes 500SL through a hedge into a field, the police said Friday. Woosnam's wife, Glendryth, 32, was

hospitalized suffering rib injuries and shock. Woosnam, 36, was unhurt.

Goaltenders Top Picks in NHL Draft

QUEBEC (AP) — Starting with John Vanbiesbrouck, goaltenders were
the gold of the National Hockey League expansion draft as the Florida
Panthers and Anaheim Mighty Ducks stocked their rosters for the 199394 search on Thursday. 94 season on Thursday. Vanbiesbrouck, who won the Vezina Trophy as the NHL's best

goaltender in 1985-86, was the No. 1 pick of the draft by Florida. Vanbiesbrouck was taken off the roster of the Vancouver Canucks, who nired him in a trade with the New York Rangers on Sunday. The Ducks picked Glenn Healy, who had played himself into the No. 1 position with the New York Islanders late in the season and starred in the playoffs. Guy Hebert of St. Louis was the Ducks' No. 1 pick.

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#### **DAVE BARRY**

# The Pop-Tart Defense

IAMI — The thing I like enormous sun hat and a rope best about being a journal- around his waist holding a fire exist, aside from being able to clip tinguisher on each hip, gunshingermy toenails while working, is that style. sometimes, through hard work mail, I come across a story that can really help you, the consumer, gain a better understanding of how you can be killed by breakfast snack food.

This is just such a time. I have couldn't pop up.

Seeived an alarming article from After about two minutes, the received an alarming article from the New Philadelphia (Ohio)
Times-Reporter headlined: "Overheated Pop-Tarts Cause Dover-House Fire, Officials Say." The article of the herd that they are in distress. A ticle states that fire officials investi- minute later, the Pop-Tarts started gating a house fire in Dover, Ohio, smoking, and at five minutes and concluded that "when the toaster failed to eject the Pop-Tarts, they shooting up 20 to 30 inches out of caught fire and set the kitchen

According to the article, the investigators reached this conclusion after experimenting with Pop-Tarts and a toaster. They found that blast that erupted from their firs "strawberry Pop-Taris, when left in crude experimental snack pastry. a toaster that doesn't pop up, will send flames 'like a blowtorch' up to three feet high."

long had a keen scientific interest in combustible breakfast foods, so I called up the Dover Fire Departand some other investigators bought a used toaster, rigged it so it wouldn't pop up, put in some Kellogg's strawberry Pop-Tarts, then

observed the results,
"At five minutes and 55 seconds," he said, "we had flames shooting out the top. I mean LARGE flames. We also tried it with an off-brand tart. That one broke into flames in like three and a half minutes, but it wasn't near as impressive as the Kellogg's Pop-

So I got a toaster for \$8.96. I already had Kellogg's strawberry Pop-Tarts, because these are one of the three major food groups that my son eats, the other two being (1) pizza and (2) pizza with pepperoni. Having assembled the equipment, I was ready to conduct the

Assisting me was my neighbor, Steele Reeder, who ran home and came back wearing (this is true) a bright-vellow rubber rain suit, an

Using an extension cord, we set and perseverance and opening my the toaster up a safe distance away from the house. I then inserted two Kellogg's strawberry Pop-Tarts ("With Smucker's Real Fruit"), and Steele, wearing thick gloves, held the toaster lever down so it

> 50 seconds, scary flames began both toaster slots. It was a dramatic moment, very similar to the one in the New Mexico desert nearly 50 years ago, when awestruck atomic scientists witnessed the massive blast that erupted from their first

We unplugged the extension cord, extinguished the blaze and determined that the toaster's career Like most Americans, I have as a professional small appliance was over. It was time to draw con-

The obvious one involves missile ment and spoke to investigator Don Dunfee. He told me that he defense. As you are aware, President Clinton has decided to cut way back on "Star Wars" research so that there will be more money available for pressing domestic needs such as creating jobs and keeping airport runways clear for urgent presidential grooming. But by using currently available elec-tronic and baking technology, we could build giant toasters and place them around the United States, then load them with enormous Pop-Tarts. When we detected incoming missiles, we'd simply hold the toaster levers down via some method (possibly involving Tom and Roseanne Arnold), and within a few minutes WHOOM the country would be surrounded by a protective wall of flames, and the missiles would burn up or get knocked off course and detonate harmlessly in some place like New Jersey.

Anyway, that's what I think we should do, and if you think the same thing, then you have inhaled WAY too many Smucker's fumes.

Knight-Ridder Newspapers

# Rhyme and Reason: Can Poetry Matter?

By Katherine Knorr International Herald Tribune

PARIS —"I, too, dislike it," Marianne Moore famously wrote of poetry. She didn't, of course, and neither should anyone. If people dislike poetry these days, it is because much of what is being published is boring. Never has so much poetry been printed for so small an audience. As with atonal music or junk labeled as sculpture, contemporary poetry, issuing forth from the universities, sumply has nothing to say to the civilian

So who cares? Everybody should, says Dana Gioia, a poet and until recently a marketing executive, and the author of "Can Poetry Matter?" an eloquent defense of an art form bijacked by the professors. "My main concern is to try to save poetry as an art in America," Gioia said by phone from his home in New York state, "to make people understand that poetry is not an especially difficult or sophisticated" art.

Gioia is part of a revolution taking place in poetry, a reaction to the snobbish hermeticism of university writing programs, where lots of so-so free verse is written for a captive public of students and professors. Outside the academy, how-ever, poets are becoming interested in form again, and in narrative poetry; some are even working with meter and rhyme. Before Vikram Seth became widely known as the author of the gigantic "A Suitable Boy," he had written a novel in verse.

In recent years, meter and rhyme have gained the sort of reputation associated with corsets or foot-binding (which is one reason, no doubt, why we haven't seen university presses rolling out "A Discourse on Meter and Gender" or "Feminine Rhymes: An Intertextual Study"). "Form, we are told authoritatively, is artificial, elitist, retrogressive, right-wing, and (my favorite) un-American,"

The result, despite all the babble about multiculturalism and anti-clitism, is that any poet not writing in ways approved by the university is

essentially a nonperson in academia. Academics "really don't believe that anybody outside is as smart or informed or reflective as they are," said Gioia, whose book, published by Graywolf Press, is an attempt to make poetry matter to the common reader, as it did in the 19th

century, when it was printed in newspapers.

There is something familiar about the current scaffle:

An entrenched establishment, where everybody eats three square meals, tries to shoo away the bohemians writing poems that just won't do. Only this time, the establishment is the radically chic writing programs in the universities, where the cadres keep up a revolution permanente that consists of saying there are no rules, no measures, except,

of course, in the promotion of various political causes.
"It seems to me painfully ironic," Gioia said, "that at
the moment when general literacy is collapsing in America, the academic establishment, which loudly trumpets its democratic [attitudes], has adopted the most mandarin and parochial procedures.

Another irony is that, while the New Formalists, as Gioia and others have come to be known, are seen as conservative, if not reactionary, their appeal is to a lay andience, and in many cases their subject matter is rooted



Dana Gioia has a goal: Saving poetry as an art in America.

What the professors are protecting is their livelihood. "Today poetry is a modestly upwardly mobile, middle class profession — not as lucrative as waste management or dematology but several big steps above the squalor of bohemia," Gioia writes in his book, which consists of a series of essays on poetry and American culture. "Like their colleagues in other academic departments, poetry professionals must publish, for purposes of both job

security and career advancement."

"The cultural credibility of the professional poetry establishment depends on maintaining a polite hypocri-sy," he adds. "Millions of dollars in public and private funding are at stake. Luckily, no one outside the subculture cares enough to press the point very far. No Wood-ward and Bernstein will ever investigate a cover-up by

members of the Associated Writing Programs. Gioia, whose most recent poetry collection is "The Gods of Winter," became something of a celebrity in 1991 when Atlantic Monthly published what is now his book's title essay, while he was still a vice president at Kraft General Foods. He says he got a lot of letters from people who were moved by what he had to say, proving to him that there were real people out there interested in poetry.

not exist," he said.
Giora and the other New Formalists remember that, long before there was a poet laureate in the United States, people recited or listened to poetry

because it was meamerizing and inspiring, and because it spoke to their experiences. "American literature has traditionally been enlivened by an openness to all levels of culture."
Giora said, citing as examples Twain and Longfellow, and the fact that T. S. Eliot could write both
"The Waste Land" and "Old Possum's Book of

Practical Cats." Gioia's book is highly readable and pretty wicked which is in marked contrast to the opaque criticism published by the Lit Crit establishment.

"Part of the etiquette now" in academic circles, Gioia said, "is to demonstrate by the end of your first paragraph that you are writing this in a language that can only be decoded by your peers."
Underneath the vocabulary "are frequently banal and tortuously elaborate ideas."

He defends such neglected poets as Robinson Jeffers, and writes, not surprisingly, about poets who had day jobs in business. "Money is a kind of poetry," wrote Wallace Stevens, who was an insurance executive. ("Everyone enjoys stories of dou-ble lives and secret identities," Gioia writes. "Children have Superman; intellectuals have Wallace

Eliot worked for Lloyd's, as anyone knows who has read of the long, fruitless attempt by Bloomsbury's lights to raise money so that he could quit. Giota argues Eliot needed the security, financial but also psychological, of working in the commer-cial world.

Gioia also looks at Robert Bly Superstar, per-haps most famous today as the anthor of "Iron John," the bible of the men's movement, which is about as dopey as EST and self-esteem support groups. Bly is a genius at self-promotion, always in the right cause at the right time, but only

sometimes a great artist. Too often, Gioia writes, "He is simplistic, monotonous, insensitive to sound, enslaved by linerary diction, and pompously sentimental."

At the age of 42, Gioia is now a full-time writer. Artists need a community of some kind, he says, and since the university is inhospitable ("I never could have gained tenure writing about neglected writers"), he imagines an artistic global village. "My new mission is to reinvent bohemia as I rapidly

sink into it. It's not going to exist as a neighborhood in lower Manhattan or across the river in Paris," he said, adding: "In order to save culture, we have to create a new estate that is outside the clergy of academia."

"One day cultural historians will elucidate the connec tions between the current revival of formal and narrative poetry and [a] broader shift of sensibility in the arts," he writes in "Can Poetry Matter?"

"The return to tonality in serious music, to representa tion in painting, to decorative detail and nonfunctional design in architecture will link with poetry's reaffirmation of song and story as the most pervasive development of the American arts toward the end of this century."

THIS WEEKEND AT THE BEACH

A Working Honeymoon For the Japanese Royals

Crown Prince Namhito and Princess Masako are in Ise, on Japan's central coast, in their first trip outside Tokyo since their wedding on June 9, and though thousands of cheering well-wishers crowded the streets to greet them, this hone moon is strictly business. Before reporting their marriage to the sun goddess Amaterasu, they have to spend a night, in separate rooms, in the Purification Hall of the Ise Shrines, the most sacred of sites in Shinto. They must bathe in lukewarm water to purify themselves before offering their prayers to the sun goddess and to the goddess of food at another Ise shrine on Saturday.

Guillaume Departien, 22, the son of the actor Gérard Depardieu, has been sentenced to three years in prison, with two suspended, after he was convicted of selling heroin. The younger Departies had admitted to the charges, which carried a maximum sentence of 20 years. mum sentence of 20 years.

Henri d'Orleans, the Count of Paris and a pretender to France's long-defunct throne, has been blocked by his children from selling family treasures. A lawyer for seven of the count's nine children said they had won a court order to prevent the sale of a collection of furniture, paintings, jewelry and silver. Nobody would even think of the idea that the queen of England would sell her crown," said the lawyer, José-Louis Desfilis.

The illegitimate daughter of Hank Williams Sr. has reached an out-of-court settlement that ends her eightyear fight for a share of the country legend's songwriting royalties. The amount of the settlement to Cathy Yvonne Stone wasn't divulged, but her share will cut into royalties passed down to Hank Williams Jr. Stone, who sings under the name Jett Williams, was born to Bobbie Jett in 1953, five days after Williams Sr. died, and was adopted by Williams's mother, Lilly Stone. She was later adopted by another family and didn't learn who her father was until

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#### WEATHER



sunny, pleasant weather Sunday. Scattered showers are fikely early next week. Central Europe, including Frankfurt and Rome will

Asia
After passing through the northern Philippinea.
Typhoon Koryn will take aim on southeast China, probably moving inland just north of Hong Kong Monday. The storm is section dancerous

SATURDAY All forecasts and data provided by Accu-Weather, Inc. @ 1993 SUNDAY 10-20 15-25 10-20 10-20 10-20 15-30 12-22 15-30 10-20 15-30 18-35 20-40 25-40 23/13 30/18 31/21 30/21 32/17 27/18 30/16 24/12 18/12 17/11 16/11

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